



U.S. Department of Agriculture



Report of the Forest Service, FY 2001

Incorporating Financial and
Performance Accountability



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Department of
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Forest Service

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About This Document

This document presents an accountability report for the U.S. Department of Agriculture (USDA) Forest Service for fiscal year (FY) 2001, consistent with the Reports Consolidation Act of 2000 (P.L. 106-531). The consolidated report combines the agency's Financial Statement including the [Management's Discussion and Analysis](#) section, the [Annual Performance Report](#), the [Federal Manager's Financial Integrity Act Report](#), and selected information from the [Annual Report of the USDA Forest Service](#).

Combining these various reports will accomplish the following:

- Present a cohesive and comprehensive picture of USDA Forest Service accountability;
- Eliminate duplicative reporting;
- Provide a single source for corporate information; and
- Facilitate the integration of financial accountability with performance accountability.

The report provides a comprehensive overview of the USDA Forest Service, including who we are, what we do, and how well we met performance goals set for FY 2001. This information is relayed through the mission statement, major program area descriptions, organizational chart, discussion of the major issues facing the USDA Forest Service, and analyses of the agency's financial statements and performance goals and results. To provide a complete picture of how well the USDA Forest Service is doing, the report addresses the agency's financial performance and the management controls being taken to ensure accountability. Significant progress in improving the USDA Forest Service's financial accountability was achieved in FY 2001. A complete analysis of the USDA Forest Service financial position from the agency, as well as from the Office of Inspector General (OIG), can be found in [Appendixes A](#) and [B](#), respectively.

A thorough description of each performance goal, the FY 2001 results, and conclusions can be found in [Appendix C](#). Program details, historically published in the annual Report of the USDA Forest Service, can be found in [Appendix D](#). Required supplementary information concerning land stewardship, heritage assets, human capital, research and development, and deferred maintenance can be found in [Appendix E](#). Finally, a glossary of agency acronyms and abbreviations can be found in [Appendix F](#).

If you have comments or questions about this report, please send them to

USDA Forest Service
Attn: CFO Staff
Stop Code 1148
1400 Independence Avenue, S.W.
Washington, DC 20250-1148

A copy of this report can be obtained at <http://www.fs.fed.us/library/reports.html>

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Message from the Chief



This past year presented significant challenges for the USDA Forest Service and the Nation, including the tragic loss of four firefighters in the Thirtymile Fire and the terrorist attacks on September 11, 2001. Our lives are forever changed as a result of these events.

The loss of four firefighters in the Thirtymile Fire is a tragedy that must not be repeated. The Forest Service must provide effective but safe response to wildland fires. We are committed to taking every possible action to guarantee the safety of our firefighters. Changes are being made to improve firefighter safety and reduce risks.

I am proud of the assistance we provided, through the Federal Emergency Management Agency, to the recovery efforts in New York City and at the Pentagon after the terrorist attacks in September. The Forest Service provided incident management teams, fire crews, and other personnel for logistical, planning, communications, and distribution support.

As a result of the catastrophic fire season in FY 2000, a National Fire Plan was developed by the Forest Service and the Department of the Interior. Bipartisan legislation resulted in significant funding in FY 2001. The 10-Year Comprehensive Strategy, a framework for implementing the National Fire Plan, was developed with cooperators at all levels of government as well as from conservation and commodity groups and community-based restoration groups. We are also working very hard on recovery, rehabilitation, and prevention efforts. Work on Federal lands is being coupled with technical and economic assistance to States, tribal governments, local communities, and individuals to address the numerous impacts of fire.

We worked very hard in FY 2001 to improve our financial accountability. A major area of focus was on tracking more than \$4 billion of real property managed by the agency. We also have completed our second full year of operating the Foundation Financial Information System, a fully compliant and integrated financial management system. Efforts such as these will enable the Forest Service to be a leader in Federal financial management.

These activities and many others are moving the agency forward in its mission "to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations." This *Report of the Forest Service, FY 2001*, provides a cohesive and comprehensive picture of agency accountability, incorporating both financial and performance information. As we move forward, we have a tremendous opportunity to apply what we have learned over the last century of natural resource management. We will build on our successes to improve our natural resource and public service mission and to ensure that our Nation's public lands remain the best in the world.

Thanks to all who contributed to our success in FY 2001.

A handwritten signature in black ink that reads "Dale N. Bosworth". The signature is fluid and cursive, with a prominent flourish at the end.

DALE N. BOSWORTH
Chief

Executive Summary

This document represents an effort to consolidate three reports previously published as separate documents. Those reports are the *Financial Statements and Management's Discussion and Analysis*, the *Annual Performance Report*, and the *Report of the Forest Service*.

Reviewers of this *Report of the Forest Service, FY 2001—Incorporating Financial and Performance Accountability* should find the information helpful in understanding the mission of the U.S. Department of Agriculture (USDA) Forest Service, the agency's [major issues](#), and how well it accomplished major goals and objectives.

For more than a century, the USDA Forest Service has served as a world leader in the management, protection, and utilization of forest, rangeland, and aquatic ecosystems. In addressing many challenges in fiscal year (FY) 2001, the USDA Forest Service:

- Began implementing a 10-Year Comprehensive Strategy to reduce wildland fire risks to communities and the environment and to ensure employee and public safety.
- Addressed the increasing threat of invasive species to the integrity and viability of forest and rangeland ecosystems.
- As a continuing priority, continued to meet the Nation's outdoor recreation needs while efficiently maintaining the critical infrastructure enjoyed by the public.
- Continued to emphasize restoration and enhancement of watersheds.
- Addressed financial and performance accountability to maintain momentum towards obtaining an unqualified audit opinion.

In response to a devastating FY 2000 fire season, the [National Fire Plan](#) was implemented. The plan focuses on reducing the impacts of wildland fire on rural communities, reducing the long-term threat from catastrophic fires, and ensuring sufficient firefighting readiness. To achieve these goals, the USDA Forest Service is working with communities to reduce hazardous fuel buildups, restoring fire-affected ecosystems, and equipping communities with wildland firefighting tools for reduced fire risk. In addition, the USDA Forest Service is reducing the risks to life, property, and ecosystems by training employees on how to respond to incidents that may threaten homeland security or become national disasters and emergencies.

Coordinated by State and Private Forestry, Research and Development, National Forest System, and International Programs, the USDA Forest Service continued an invasive species program. The program's goal of reducing adverse social, economic, and ecological impacts of key invasive pests, insects, plants, and diseases threatening forest, rangeland, wildland, and urban ecosystems in the United States includes the long-term strategy of using extensive partnerships with international governmental organizations, other Federal agencies, State and local governments, nonprofit organizations, and private landowners.

To meet outdoor recreation needs and to reduce cost, the USDA Forest Service has focused on providing recreation opportunities while protecting natural resources, improving visitor satisfaction of facilities and services, improving USDA Forest Service relationships with public and private entities, establishing professional partnerships and governmental cooperative efforts, and completing management plans for wild and scenic rivers.

The USDA Forest Service continues to demonstrate innovative ways to improve watershed, forest, range, water, and habitat conditions with a number of multiyear projects in partnership with other Federal agencies and State, local, and tribal governments. Additionally, the USDA Forest Service is increasing cooperative efforts with States involved in water rights adjudications for developing alternative solutions to maintaining sustainable water supplies. This will involve the investment of water mitigation restoration projects.

In response to a clear need to improve [financial and performance accountability](#) and to obtain an unqualified audit opinion on its annual financial statements, the USDA Forest Service reorganized its financial management to focus on issues preventing the attainment of an unqualified audit opinion. Major issues that were addressed include reliability of the real and personal property accounting and realigning the year-end closing, financial statement, and financial audit liaison responsibilities. As a result of these changes, lessons learned from the FY 2001 year-end process, and assistance from the USDA Office of the Chief Financial Officer, the USDA Forest Service will further reengineer its processes and focus on account reconciliations for an improved opportunity of attaining an unqualified audit opinion in FY 2002.

In addition to addressing these significant issues, the USDA Forest Service achieved or exceeded a significant portion of its [performance targets](#) in FY 2001. For example, under the strategic goal of multiple benefits for people within capabilities of ecosystems, the indicator of number of special use permits administered to standard showed a substantial increase. The USDA Forest Service administered 12,907 permits, 98 percent more than planned. In other areas where target definition weaknesses were identified, the agency will prepare a definable, measurable, and verifiable standard for future year accounting and reporting purposes.

USDA Forest Service Management's Discussion and Analysis



Mission, Organizational Structure, and Programs

Mission Statement

The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.

The U.S. Department of Agriculture (USDA) Forest Service commitment to land stewardship and public service is the framework within which natural resources are managed. Implicit in this statement is the agency's collaboration with public, private, and nonprofit partners.

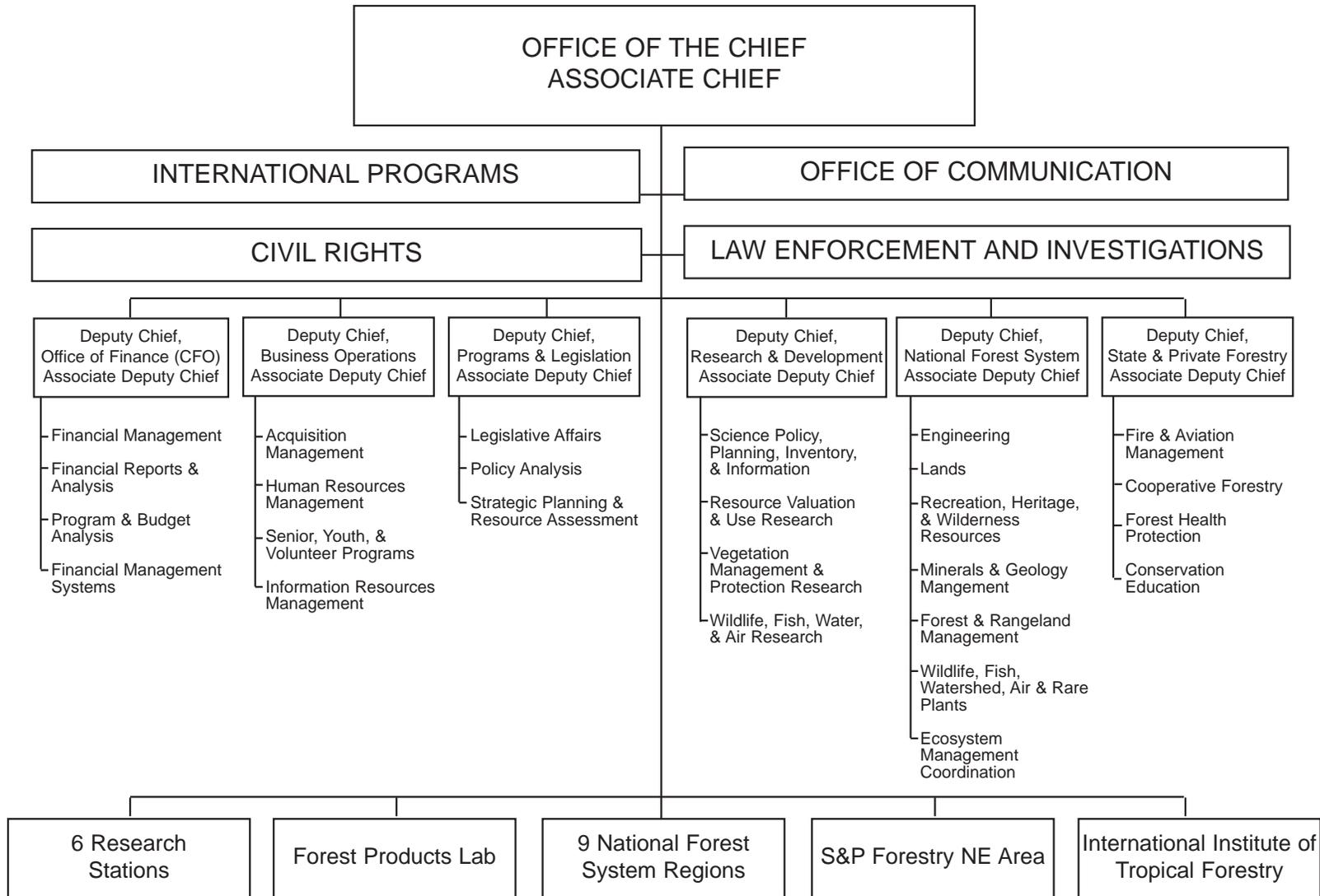
As one of the lead Federal agencies in natural resource conservation, the USDA Forest Service provides leadership in the protection, management, and use of the Nation's forest, rangeland, and aquatic ecosystems. The USDA Forest Service management approach integrates ecological, economic, and social factors to maintain and enhance the quality of the environment to meet current and future needs. Through implementation of land and resource management plans, the agency ensures sustainable management by restoring and maintaining species diversity and ecological productivity. These activities support recreation, water, timber, minerals, fish, wildlife, wilderness, and aesthetic values for current and future generations. Further, the Research and Development (R&D) division of the USDA Forest Service is one of the world's leading forestry research organizations. By conducting and sponsoring basic and applied scientific research, the USDA Forest Service leads the way in increasing the basic biological and physical knowledge of the composition, structure, and function of forest, rangeland, and aquatic ecosystems.

Through technical and financial assistance, the USDA Forest Service supports the States and private landowners in practicing good stewardship, promoting rural economic development, and improving the natural environment of cities and communities. The USDA Forest Service strives to develop and use the best available scientific information to meet agency goals and objectives. Domestic and international activities are directed at developing values, products, and services in such a way as to maintain ecosystem health. The USDA Forest Service Strategic Plan is integral in guiding the agency in meeting its mission objectives.

Organizational Structure

The Chief of the USDA Forest Service and the Associate Chief manage the agency from the Washington Office and provide national-level policy and direction to the field offices in response to Administration priorities, congressional direction, and other national issues. The regional offices link the Washington Office to individual units of the National Forest System (NFS). National forests and grasslands are subdivided into ranger districts and are managed by district rangers who report to the forest supervisor. As depicted in the organizational chart on the following page, six deputy chiefs, nine regional foresters, six station directors, one area director, and the directors of the Forest Products Laboratory and International Institute of Tropical Forestry report directly to the Chief.

USDA Forest Service Organizational Structure



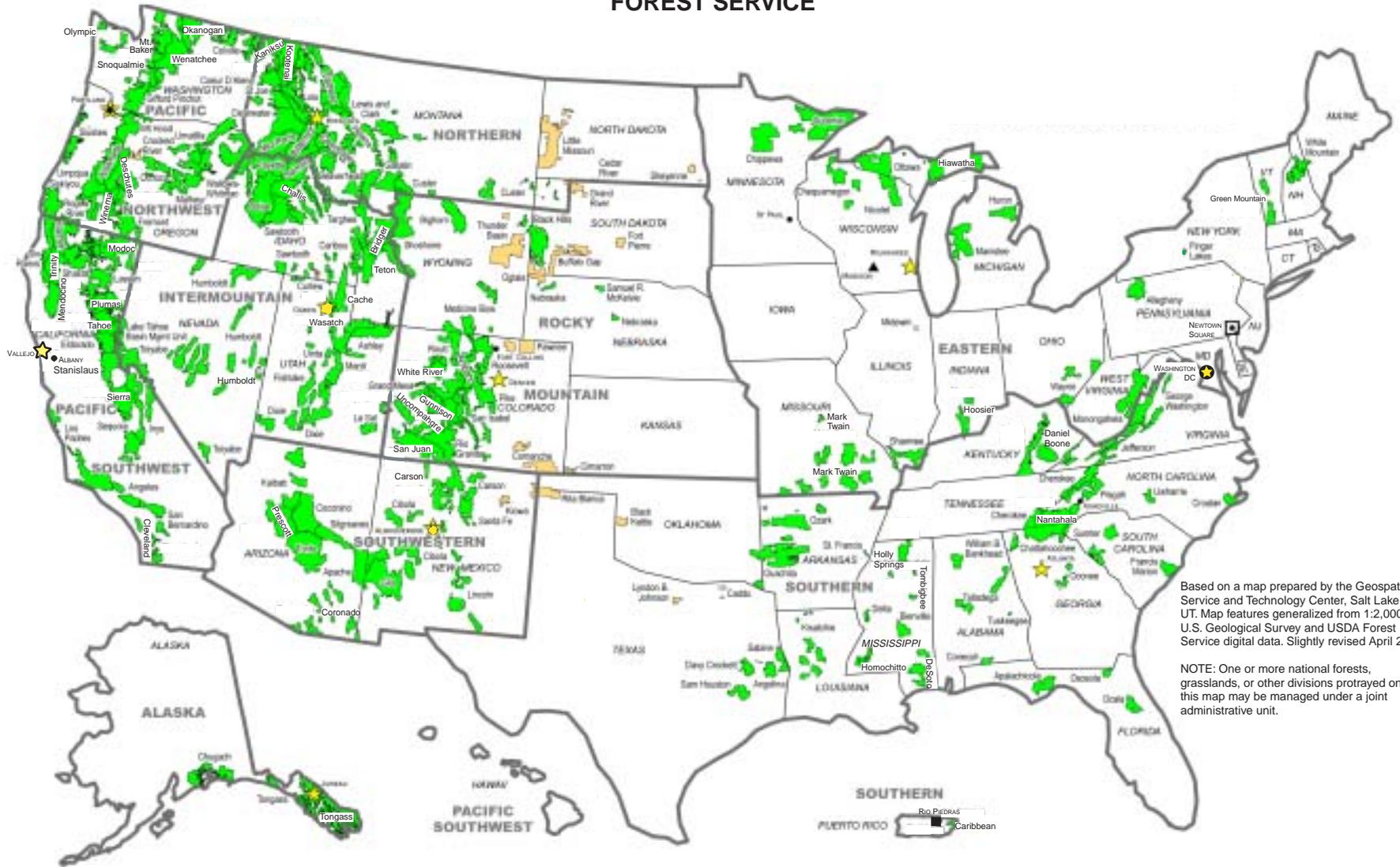
As of May 2001
 Supercedes Chart Dated: June 16, 1997
 Prepared by: Human Resources Management Staff, Washington Office

The agency manages the 192 million acre National Forest System for many purposes; administers a comprehensive research program; provides for cooperative forestry assistance to States, communities, and private forest landowners in the United States; and conducts international forestry activities in cooperation with other countries.

Land Management

The USDA Forest Service is a large, geographically dispersed organization. The NFS is comprised of 155 national forests, 20 national grasslands, 5 national monuments, the National Tallgrass Prairie, and 6 land utilization projects. These units are located in 44 States, Puerto Rico, and the Virgin Islands, and encompass over 192 million acres. The USDA Forest Service regional boundaries and administrative units are shown on the map on the following page.

U.S. Department of Agriculture FOREST SERVICE



Based on a map prepared by the Geospatial Service and Technology Center, Salt Lake City, UT. Map features generalized from 1:2,000,000 U.S. Geological Survey and USDA Forest Service digital data. Slightly revised April 2002.

NOTE: One or more national forests, grasslands, or other divisions portrayed on this map may be managed under a joint administrative unit.

- National Headquarters
- National Forests
- National Grasslands
- Regional Boundaries
- International Institute of Tropical Forestry
- Regional Headquarters
- Research Station Headquarters
- Forest Products Laboratory
- State and Private Forestry Area Headquarters
(In other Regions these activities are directed from Regional headquarters)

Overview of Programs

Forest and Rangeland Research

The R&D division of the USDA Forest Service is one of the world's leading forestry research organizations, conducting and sponsoring basic and applied research and developing innovative and cost-effective techniques. This research is improving the knowledge base needed to enhance scientific understanding of ecosystems in support of sound decisionmaking and sustainable management of the Nation's forests and grasslands. Further, the R&D division is committed to providing knowledge and technology to private landowners, enabling them to better sustain the health, productivity, and diversity of their lands. The USDA Forest Service R&D program is focused on the following seven functional areas:

- Maintaining and enhancing the productive capacity of forests and rangelands;
- Maintaining and enhancing forest and rangeland health;
- Maintaining forest and rangeland contributions to carbon cycles;
- Maintaining and conserving soil, water, and air resources;
- Maintaining and enhancing long-term, multiple socioeconomic benefits to meet the needs of society;
- Conserving biodiversity; and
- Monitoring forest inventory and health.



State and Private Forestry

State and Private Forestry (S&PF), a division of the USDA Forest Service, is a Federal leader in providing technical and financial assistance to landowners and resource managers to help sustain the Nation's urban and rural forests and protect communities and the environment from wildland fires. S&PF programs help bring forestry to all landowners—woodlot, tribal, State, and Federal—in efficient, nonregulatory ways. Through management, protection, conservation education, and resource use efforts, S&PF helps facilitate sound stewardship across lands of all ownerships on a landscape scale, while maintaining the flexibility for individual forest landowners to pursue their objectives. S&PF plays a key role, along with the NFS, R&D, and the U.S. Department of the Interior in implementing the National Fire Plan to manage the impacts of wildland fires on communities and the environment. S&PF operations provide for the following activities:

- Maintaining healthy and productive forest ecosystems by preventing, detecting, and suppressing damaging insects and disease;
- Providing technical and financial assistance to States and local fire agencies to promote efficient wildland fire protection on Federal, State, and private lands; and
- Engaging in partnerships that improve management, protection, and use of forest-based goods and services with States and private landowners.



National Forest System

The NFS, another division of the USDA Forest Service, is managed under the principles articulated in the National Environmental Policy Act and the National Forest Management Act. Administration of NFS lands uses a multiple-use land management approach that best meets commodity and resource needs without impairing the ecosystem or damaging the environment. The natural resources contained within the NFS are managed to meet the needs of the Nation in a sustainable manner. The aquatic and terrestrial ecosystems comprising the NFS encompass tropical and boreal forests, grasslands, and 5.4 million acres of important wetlands. NFS operations provide an array of multiple uses, including, but not limited to, the following:

- Administering and managing recreation, wilderness, and heritage areas;
- Restoring, recovering, and conserving fish and wildlife and their habitats;
- Sustainably managing forest, rangeland, mineral, and water resources;
- Conducting resource inventories and assessments of NFS lands; and
- Providing a safe environment for the public and for USDA Forest Service employees.



Wildland Fire
Management
Program/The National
Fire Plan

The Wildland Fire Management Program protects life, property, and natural resources on the 192 million acres of NFS lands, and covers an additional 20 million acres of adjacent State and private lands. This program is guided, in part, by the fundamental principles articulated in the National Fire Plan, as adopted by the Secretaries of Agriculture and the Interior in FY 2001. Among many programmatic functions, funds are used to support actions that help prevent, detect, and take initial suppression actions on wildland fires. The program also supports fire operations, including fire suppression efforts and the reduction of hazardous fuels that minimize the potential for large, destructive wildfires. This program also funds Burned Area Emergency Rehabilitation projects that restore environments damaged by wild land fires.



Capital Improvement and Maintenance

Capital Improvement and Maintenance provides funding to improve, maintain, and operate the USDA Forest Service infrastructure. Funding is provided for NFS roads and trails, as well as for modifying existing facilities or constructing new ones. The emphasis of the program is on annual and deferred maintenance; when annual maintenance work is not completed during the fiscal year for which it is funded, it becomes deferred maintenance. The focus of the deferred maintenance program is the reduction of the maintenance backlog, with priority on critical health and safety issues.

Land Acquisition—Land and Water Conservation Fund

Through the Land and Water Conservation Fund (LWCF), the USDA Forest Service works with partners to protect important lands, conserve open space, and preserve forested and coastal areas, primarily through land acquisition. Many of the acquired lands are located in congressionally designated areas, such as wilderness areas, national recreation areas, wild and scenic rivers, and national scenic trails.

Major Issues Facing the USDA Forest Service

The USDA Forest Service plan for the future will focus on areas of work in which the agency, in cooperation with its partners, can make tangible contributions to sustainable resource management. In meeting the emphasis areas described below, the USDA Forest Service will better demonstrate the value of the work of the organization to its partners and to the Nation as a whole. The USDA Forest Service plans to meet the following challenges:

- Implement the 10-Year Comprehensive Strategy to reduce wildland fire risks to communities and the environment;
- Ensure employee and public safety;
- Improve the timeliness and effectiveness of agency decisionmaking;
- Address the increasing threat of invasive species to the integrity and viability of forest and rangeland ecosystems;
- Meet public demand for the use of natural resources in a sustainable manner;
- Meet the Nation's outdoor recreation needs while addressing increasing maintenance and facilities repair costs;
- Restore and manage watersheds; and
- Improve financial management systems and controls to attain better accountability and an unqualified clean audit opinion from the Inspector General.

Community and Land Protection

Wildland fire can lead to devastating loss of life and property. If properly managed, however, it is also one of the best tools for sustaining healthy forests and grasslands. Catastrophic fires in the first half of the 1900s caused the Nation to adopt a policy of fire prevention and suppression. Ironically, firefighters became so effective at suppressing fires that small trees and brush built up to dangerously high fuel levels. The severe fire season of FY 2000 highlighted the need to find ways to protect life and property and minimize losses of natural resources. This led to the adoption of the [National Fire Plan](#). The National Fire Plan includes implementing an ambitious program of work while preparing the longer term foundation to reduce fire risk and restore healthy, fire-adapted ecosystems on the Nation's forests and rangelands. The goals of the National Fire Plan are to (1) reduce the impacts of wildland fires on rural communities, (2) reduce the long-term threat from catastrophic fires, and (3) ensure sufficient firefighting readiness. Many management practices, such as thinning, timber stand improvement, and prescribed burning can be systematically blended to meet site-specific forest needs. To achieve these goals, the USDA Forest Service will work with communities to reduce hazardous fuel buildups, restore forested ecosystems impacted by catastrophic fire, and equip those communities and homeowners with the tools necessary to reduce wildland fire risks.

While these efforts will help reduce threats to communities at risk, large wildland fires will not be eliminated. Long-term and comprehensive programs in fire prevention, fire suppression, and fuel treatments, involving other Federal agencies, States, tribes, and communities, will be necessary before the current fire environment is changed to one that is less destructive and costly. To this end, the USDA Forest Service is currently working on improvements to wildland fire planning systems, focusing fuel treatment in areas where communities are at risk, working with other Federal and State agencies to plan interagency landscape-level fuel treatment programs, and expanding fire prevention programs.

National Fire Plan—Partnerships in Success

In Baker City, OR, the National Fire Plan is making a difference in the watershed that serves as a source of drinking water for this town and surrounding communities. In the past 2 years, the Federal Government has spent \$2.2 million for projects intended to protect the 10,000-acre watershed from wildland fire. If a fire burned a significant portion of the watershed, the city might have to build a water filtration plant.

The USDA Forest Service is building a shaded fuelbreak at the south end of the watershed to protect it from a wildland fire. A shaded fuelbreak is a place where trees are thinned to leave more space between the ones left standing. Workers haul away or burn the underbrush and fallen limbs, which, if left on the ground, can keep a fire going.



Treatment of fuels in shaded fuelbreak



Shaded fuelbreak after treatment

Public and Employee Safety

The safety of the public and USDA Forest Service employees is foremost in everything the agency does. The USDA Forest Service is committed to ensuring that all changes in management, policy, training, and operations reflect the goal of improving safety. Consistent with that goal, the USDA Forest Service will work to reduce risks to life, property, and ecosystems from high-intensity wildland fires within and adjacent to communities. Furthermore, agency employees trained in responding to emergency incidents are likely to play an expanded role in ensuring homeland security and responding to national disasters and emergencies.

Invasive Species

The USDA Forest Service is committed to diminishing the rate of infestation and introduction of invasive species on forests and grassland. Invasive species, including animals, insects, plants, and associated pathogens, are a significant threat to the integrity and viability of forest and rangeland ecosystems. They contribute to tree mortality and high-intensity wildland fires, causing billions of dollars in damage annually. Invasive species put many resources at risk, including wilderness, wildlife, forage, visual quality, reforestation, recreation opportunities, land values, farming, and others. For example, 56 million forested acres are at risk along the leading edge of a gypsy moth front. In Oregon and California, 27,864 acres of Port-Orford-

cedar root disease have been identified on Federal lands. On the 192 million acres of NFS lands, 3.9 million acres of noxious native and non-native weeds have been identified.

The USDA Forest Service invasive species program is a coordinated effort implemented through four divisions: S&PF, R&D, NFS, and International Programs. The goal of the program is to reduce adverse social, economic, and ecological impacts of key invasive pests, insects, plants, and diseases threatening forest, rangeland, wildland, and urban ecosystems in the United States. In part, this goal was reached by emphasizing partnerships, operations, and research and development activities that prevent, monitor, and control invasive species, and that restore impacted ecosystems.

To date, USDA Forest Service efforts have focused almost exclusively on insects, plant pathogens, and terrestrial noxious weeds, such as fire ants, gypsy moths, zebra mussels, Asian longhorned beetle, Sudden Oak Death disease, purple loosestrife, citrus canker, nutria, and yellow star thistle. The frequent introduction of invasives, however, requires immediate focus on other species as well, including aquatic weeds, non-native fish, cogon grass that destroys habitat of green sea turtles, species that directly impact migratory songbird habitat, and species that displace valued native animals and plants. One example of the latter is the bullfrog that is invading the habitat of the Oregon spotted frog. Prevention efforts also need to be increased, such as preventing the spread of weed seed along travel corridors and in the back country.

The long-term strategy of the USDA Forest Service invasive species program includes the use of extensive partnerships with international government organizations, other Federal agencies, State and local governments, nonprofit organizations, and private landowners. In conjunction with these entities, the USDA Forest Service will work to prevent the introduction of invasive species, eradicate new infestations, manage populations of established invasives, and restore impacted ecosystems. To effectively address invasive species problems, however, it takes a strong collaboration with our partners, appropriate resources, and a strong determination.

Recreation in Our National Forests

The USDA Forest Service provides a vast array of recreation, heritage, and wilderness experience opportunities. The protection and restoration of natural areas, expansion of accessible recreation opportunities, management of off-highway vehicle use, facilities maintenance, and safety and security concerns all demand attention. The USDA Forest Service's challenge is to meet these demands through emphasis on the following five interrelated areas:

- Provide recreation opportunities that meet public demand in a sustainable manner;
- Improve visitor satisfaction with USDA Forest Service facilities and services;
- Strengthen USDA Forest Service relationships with private entities and volunteer-based and nonprofit organizations;
- Establish professional partnerships and intergovernmental cooperative efforts; and
- Complete wild and scenic rivers management plans to ensure proper management direction for these special areas.

To address these challenges, the USDA Forest Service is taking a number of steps. For example, the agency estimates its backlog for maintenance and repair of existing facilities exceeds \$800 million. The USDA Forest Service is investing proceeds from the [Recreation Fee Demonstration Program](#) and other revenue-leveraging actions to reduce maintenance backlog, particularly in the most heavily used areas. In some cases, deteriorating facilities will be removed; in other cases, facilities will be repaired or restored. Through the involvement of communities of interest in national forest plans and the forest planning process, the USDA Forest Service is managing off-highway vehicle (OHV) use to provide high-quality motorized opportunities in an ecological and sustainable manner. Further, the USDA Forest Service is exploring opportunities for designating a system of roads, trails, and areas appropriate for OHV use.

Partnerships with State, local, and tribal governments; nongovernmental organizations; landowners; and others enable the USDA Forest Service to provide more services to a wider spectrum of recreational users. The USDA Forest Service is also exploring opportunities for long-term private sector investments in existing and future recreation developments that are consistent with economic and social sustainability. To attain a better handle on USDA Forest Service impacts on local communities, the agency is committed to increasing the documentation of contributions to community economies, primarily through strategic business delivery partnerships.

Since 1996, the USDA Forest Service has experimented with numerous user recreation fee alternatives. The Recreation Fee Demonstration Program authority expires on September 30, 2004. The revenue generated through user fees exceeds \$30 million a year and provides critical resources for improving facilities and reducing maintenance backlog. As part of the legislative process, the USDA Forest Service is developing clearly stated, nationally consistent criteria for recreation user fees.



Watershed Restoration



Vibrant, self-renewing forests and grasslands cannot exist without plentiful supplies of clean water. Forests and grasslands feed fresh water into hundreds of municipal watersheds nationwide—nearly 60 million people depend on these forests and grasslands for drinking water. Healthy watersheds are the key to sustaining a supply of clean water. Unfortunately, many watersheds are threatened by air pollution, erosion, and increased diversions of water from natural channels and aquifers. The USDA Forest Service strives to protect water quality and aquatic health through the reduction of polluted runoff, the improvement of natural resources stewardship, and an increase in public involvement in watershed management on Federal lands.

[Large-scale watershed restoration projects](#) demonstrate innovative ways and new approaches to improving watershed, forest, range, water, and habitat conditions at a landscape scale. A number of multiyear projects have been developed in partnership with Federal, State, local, and tribal governments; communities; and nongovernmental entities. Watershed planning includes assessing and monitoring all watershed conditions to prevent the degradation of high-quality waters and sensitive aquatic ecosystems. Streams and adjacent uplands are managed to ensure continued benefits to fish and wildlife, while providing a broad range of services, including recreation, forest products, and grazing.

In addition, the ability of the water supply system in the Western United States to meet the needs of a rapidly growing urban population is at risk. The supply is stressed to its limits and is dependent on increasingly complex legal arrangements, water pumping, storage, and transport engineering corrections. Failure of this complex water supply system will cause unprecedented economic and social consequences. More research will be conducted to develop tools and techniques for sustaining high-quality forested watersheds.

The USDA Forest Service will further increase efforts to cooperate with 11 States involved in water rights adjudications to develop solutions to water quantity allocation problems. The agency will invest in water quality mitigation programs on NFS watersheds, including large-scale watershed restoration projects and dozens of watershed assessments, in collaboration with hundreds of interested groups. The USDA Forest Service restored 90,800 acres of lands burned in FY 2000, helping to prevent or reduce erosion that would impact water quality. The USDA Forest Service will continue to pursue effective watershed management efforts to improve and maintain water quality and quantity.

Financial and Program Accountability

Financial and program accountability are essential for the USDA Forest Service to achieve its commitment to land stewardship and public service. Resources must continue to focus on the steady improvement of financial and program accountability within the agency. Through relevant, reliable, and accurate information, including budget, accounting, and program data, Congress, USDA Forest Service managers, and other agency stakeholders can evaluate USDA Forest Service programs and the results of activities. The agency, through aggressive efforts, has moved forward on efforts to improve financial and program accountability. These efforts have included implementing activities to comply with the Federal Managers' Financial Integrity Act (FMFIA), Chief Financial Officers Act of 1990, Government Performance and Results Act (GPRA), and the Federal Financial Management Improvement Act. The USDA Forest Service has implemented the Foundation Financial Information System (FFIS), a financial management system that is fully compliant with Federal financial requirements. A new field-based Budget Formulation and Execution System (BFES) has also been implemented. Accounting policies have been updated and an agency-wide effort has been initiated to improve records for more than \$4 billion of real property managed by the USDA Forest Service. Through implementation of BFES and FFIS, and adherence to GPRA, the agency is moving forward with development of integrated processes and systems that provide linkages among the formulation of budgets, the accomplishment of work on the ground, and the associated cost of the work.

The USDA Forest Service must continue to further improve business and accounting processes and systems while capitalizing on the strengths of the new systems. A sustained effort is needed to ensure that employees are fully trained in the use of FFIS; information about USDA Forest Service operations is readily available using a variety of reporting tools; and critical processes, policies, and procedures are in place and operating. We have now reached a point where system availability meets agency requirements. Legacy subsystems that continue to feed data to FFIS, however, often do not meet current requirements for Federal financial management and need to be replaced or eliminated. This effort will continue for several years and require a significant amount of agency resources to complete.

A focused effort in the past several years has greatly improved agency records supporting real property managed by the USDA Forest Service as it works toward firmly establishing its monetary value. In a partnership with the USDA Office of Inspector General and a private accounting firm, a testing methodology and actual appraisals were implemented in FY 2001. When completed, this project will establish an auditable monetary value for real property assets, providing information absolutely necessary for the management of these assets.

Other initiatives under review and scheduled for implementation include the following:

- Implementing a National Fire Plan database to track, monitor, and account for National Fire Plan spending;
- Initiating commitment accounting;
- Implementing tools to generate financial and performance reports from Web-based accounting databases;
- Improving agency performance measurement;
- Continuing to refine and generate quarterly status of funds analyses that track USDA Forest Service spending; and
- Evaluating information requirements to reduce the volumes of data maintained in the USDA Forest Service general ledger system

Analysis of Agency Performance

Introduction

The USDA Forest Service FY 2001 Revised Annual Performance Plan committed the agency to delivering a range of natural resource-based benefits for the American people in accordance with the [1997 Strategic Plan](#) goals and objectives. The USDA Forest Service 1997 Strategic Goals are as follows:

Goal 1 – Ensure Sustainable Ecosystems

Goal 2 – Provide Multiple Benefits for People within the Capabilities of Ecosystems

Goal 3 – Ensure Organizational Effectiveness

The USDA Forest Service's responsibility as a natural resource management agency is to restore and maintain the health of the land. Through various programs, the USDA Forest Service manages and protects public lands, and provides technical and financial assistance to other governmental entities, nongovernmental organizations, private landowners, and others. The agency strives to provide exemplary service to its customers and to track its accomplishments through the annual performance plans. These plans are the basic management tools used to direct resources and implement key strategies and efforts in achieving long-term goals and objectives.

At the end of this section a table lists [performance goals and accomplishments](#) of the USDA Forest Service during FY 2001. The performance data in this report are measured against the goals established in the Revised Performance Plan for FY 2001.

Highlights

Although far from a complete list, several performance highlights are presented below to illustrate the progress the USDA Forest Service made during FY 2001 in "caring for the land and serving people."

National Fire Plan

The first year of the National Fire Plan (NFP) program provided the USDA Forest Service with a solid platform for continued success in the coming years. The following paragraphs provide a brief summary of accomplishments.

The 10-Year Comprehensive Strategy was developed in partnership with the Western Governors' Association as an integrated framework for implementation of the NFP. In developing the strategy, the USDA Forest Service collaborated with a broad group representing the U.S. Department of the Interior, States, local governments, tribal interests, conservation and commodity groups, and community-based restoration groups. Oversight reviews made in FY 2001 provided accountability for the NFP and will be used to make course corrections for the future.

In FY 2001, the USDA Forest Service hired 3,311 new employees for fire suppression and related duties. This number is nearly a 30-percent increase over the previous year and constitutes 97 percent of the hiring goal needed to achieve the Most Efficient Level (MEL) of preparedness. Equipment, including engines, bulldozers, and other vehicles, was purchased to strengthen fire suppression capabilities. Many fire facilities were renovated and new facilities have been planned or built to support the large increase in personnel. Planning and design of three new air tanker bases was undertaken during the past year.

The USDA Forest Service in cooperation with the Department of the Interior collaborated with tribes and States to establish joint oversight groups to identify and prioritize fuel treatments. Initially, these groups focused on projects to reduce the wildland fire risk to wildland-urban interface communities. The focus will eventually expand to include the full spectrum of hazardous fuel reduction projects, as well as projects to restore and maintain the sustainability of ecosystems. This effort is designed to bring together Federal and State land managers, local community leaders, and other partners to develop a cohesive strategy for protecting people and sustaining natural resources. Additionally in FY 2001, the USDA Forest Service treated 1,361,697 acres for hazardous fuel, including 611,551 acres treated in the wildland-urban interface. Overall the USDA Forest Service treated approximately 75 percent of its planned acres. However, the agency treated over 100,000 more wildland-urban interface acres than it originally planned.

Research and development projects in FY 2001 supported hazardous fuels reduction. Fuels reduction research focused on prioritizing areas for treatment; determining the impacts of treatments on wildlife, fish, and riparian areas; and developing new uses and systems for harvesting forest undergrowth and small-diameter trees. Other research is underway to identify improved wood product utilization processes for local entrepreneurs.



Watershed Management and Restoration

The Departments of Agriculture, Commerce, Defense, Energy, and the Interior; the Environmental Protection Agency; the Tennessee Valley Authority; and the Army Corps of Engineers adopted the [Unified Federal Policy for Watershed Management on Federal Lands](#) in 2001. This policy provides a framework for a watershed approach to Federal land and resource management activities.

The USDA Forest Service accomplished 133 percent of its land treatment goals and 85 percent of the road decommissioning goal necessary for improving watershed conditions. In addition to the established performance goals above, NFP watershed restoration project plans were developed and will soon be released for public review. The Burned Area Emergency Rehabilitation program plays a major role in emergency watershed stabilization where wildfires destroy ground cover and reduce the ability of the soil to absorb moisture.

Watershed Restoration—Partnerships in Success

A large-scale, community-based partnership was formed to restore the 200,000-acre Upper Rio Peñasco watershed in New Mexico. Three-quarters of the watershed is on the Lincoln National Forest.

Local and regional interests are leading this partnership. The project is funded at more than \$2 million; funding from partnerships increased from 10 percent to 37 percent from FY 2000 to FY 2001.

Past practices resulted in declining water quantity and quality, and invasive plants have increased. Initial restoration activities are focusing on treatment of invasive plants and water quality improvement projects, along with reintroducing fire into the urban-wildland interface to control hazardous fuels.



Cox Canyon circa 1925 after having been logged in 1903.



The same site in 1995. The Rio Peñasco Wildland/Urban Interface Project is seeking an ecological balance between these two watershed conditions.

Invasive Species

Forest and rangeland health is threatened by invasive species and noxious weeds. During FY 2001, aggressive actions were taken to control insect infestations such as gypsy moths in the East and Midwest, southern pine beetles in the South, and Douglas-fir tussock moths and bark beetles in the West. Treatments and research efforts were also taken to control Port-Orford-cedar root disease and Sudden Oak Death disease in the West, as well as white pine blister rust and other pathogens throughout the country. Control activities have also been undertaken on aquatic invasive species, such as the zebra mussel. Emergency contingency funding of \$12.4 million was targeted for insect infestation control nationwide.

Invasive Species Success Story—Partnerships in Success

The Highlands Cooperative Weed Management Area (CWMA), located in southeast Idaho and southwest Wyoming, is made up of more than 25 cooperators, including Federal and State agencies and private individuals. During 2001, the Highlands CWMA hosted a "Bag of Woad Days," in which local students were paid for every pound of Dyer's Woad they pulled, bagged, and delivered to the County Weed Supervisor. A \$5,000 grant provided by the Idaho State Department of Agriculture supported this community effort. Students collected tons of bagged Dyer's Woad. Curious landowners, noticing the activity, asked and were taught about the noxious nature of Dyer's Woad. Nearly 800 people in several small communities received not only payment for their efforts, but also a keen understanding of community responsibilities in noxious weed control. Nearly 400 acres of Dyer's Woad were treated.



The USDA Forest Service played a key role in the process by distributing information and handling the money that paid the youth. One USDA Forest Service office ran out of funds the first day because so much Dyer's Woad was brought in. Plans have been made for 2002 to double the efforts for this project, including a new program similar to the "Adopt a Highway" theme, which will pay groups (scouts, families, etc.) to keep a portion of a road or town "clean" of Dyer's Woad.

Recreation

Recreation is a major use of national forests and grasslands. The USDA Forest Service hosted 209 million forest visits in FY 2001. Recreation visitors' activities include hiking, camping, hunting, fishing, swimming, skiing, boating, driving off-highway vehicles, visiting cultural sites, and others. More than 26,000 recreation special use permits were administered in FY 2001.

During FY 2001, Recreation.gov, a one-stop Internet site for recreation information on all Federal lands, received an E-Gov 2001 "Trailblazer" award. The award recognizes "outstanding electronic Government best practices applications that streamline operations and improve Government service."

In FY 2001, the USDA Forest Service instituted the National Visitor Use Monitoring Project to provide statistically valid information on the type, quantity, and location of recreation use on national forests. Accurate recreation use information will enable the agency to focus resources to meet visitors demands and improve visitors' satisfaction with their recreation experience. As the survey is expanded and improved, the accuracy and statistical validity will also improve.

Hogback Cabin Success Story

Originally constructed in 1917, the Hogback Homestead cabin had deteriorated to an unusable condition when it came into Forest Service ownership in 1979. Over the next 6 years, approximately \$130,000 was expended for materials, with \$23,000 of that total contributed by private organizations and individuals. Labor was provided by both Forest Service historic preservation specialists and a large number of Passport In Time (PIT) volunteers. The cabin was added to the Lolo National Forest's cabin rental program in the fall of 1995 and has become the most popular rental on the forest. The annual occupancy rate of the cabin is approaching 70 percent, and at a fee of \$60/day the cabin has become a self-sustaining undertaking.



Cooperative Forestry

Cooperative landowner assistance efforts, such as the [Forest Legacy Program](#) (FLP) and the [Forest Stewardship Program](#), have resulted in protection and wise management practices for nonindustrial private forest (NIPF) landowners and others outside the NFS lands. In FY 2001, the USDA Forest Service helped protect over 84,000 acres from development in 24 States. Participating States worked with landowners to initiate the process on an additional 720,000 acres. NIPF landowners were given financial and technical assistance in preparing more than 12,800 forest management plans and in treating more than 1.6 million acres.

More than 10,650 communities participated in urban environment projects through the [Urban and Community Forestry Program](#). More than 4 million hours of volunteer assistance were generated for local projects such as Revitalize Baltimore, Chicago Wilderness, and many others in both large and small communities.

Performance Management in the Future

In FY 2002, the USDA Forest Service will begin to move toward a new, outcome-oriented budget and planning structure that shows linkages among resources, program activities, and results. This process will formally debut in the FY 2003 budget cycle. Future budgets will integrate data from the strategic goals and objectives and will demonstrate the impact of funding on actual on-the-ground work accomplished. A results-oriented budget and planning structure will provide Congress and the public with a clearer understanding of the benefits attained through taxpayers' dollars that finance the management of the Nation's forests.

The ability of the USDA Forest Service to effectively integrate budget and performance management depends on having appropriate measures and collecting high-quality data to support these measures. In FY 2002, the USDA Forest Service will continue to refine accomplishment reporting requirements and its ties to both the Budget Formulation and Execution System and the Foundation Financial Information System. The agent will focus on the relevancy, accuracy, and burden associated with data collection efforts and accounting codes used to charge costs of various activities.

Summary of FY 2001 Performance Measures

The tables on the following pages depict the revised performance measures for the FY 2001 Annual Performance Plan. The FY 2001 Performance Plan is based on the USDA Forest Service 1997 Strategic Plan.

1. Ensure Sustainable Ecosystems

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Revised Target	FY 2001 Actual	FY 2001 Percent Accomplished
# acres of land treatments to protect and improve watershed conditions on NFS lands	35,562	29,899	23,946	31,863	133
# miles of roads decommissioned	2,907	2,545	2,560	2,164	85
# acres of lands restored by reforestation	267,013	217,215	185,002	195,593	106
# acres of treatment of harvest-related woody fuels—brush disposal	108,896	93,459	109,982	90,682	82
# acres of noxious weed treatment to protect and restore forest and grassland ecosystems on NFS lands	87,000	121,946	85,000	143,938	169
# acres of rangelands treated to protect and restore forest and grassland ecosystems on NFS lands	5,000,000	4,074,880	5,000,000	4,539,798	91
# acres of timber sales to protect and restore forest and grassland ecosystems on NFS lands	448,746	340,148	400,000	248,471	62
# acres of forest lands maintained or enhanced by stand improvement	262,786	223,634	205,721	283,855	138
# acres of hazardous fuels reduction	1,412,281	772,375	1,800,000	1,361,697	76
percent of most efficient level for firefighter production capability	69	74	100	97	97
# acres of land ownership consolidated through acquisition and exchange to facilitate restoration and protection	488,835	214,740	129,686	164,035	126
# acres of NIPF lands under approved stewardship management plans	1,866,000	1,437,360	1,579,600	1,616,986	102
# acres of legacy project acquisition	19,281	29,614	200,000	84,709	42
# million acres of forest health surveys and evaluations on Federal and cooperative lands	788	737	788	615	78
# miles of inland stream improved for fish habitat	1,164	883	1,492	1,090	73
# miles of anadromous stream improved for fish habitat	715	601	623	618	99
# miles of aquatic TES stream improved for fish habitat	315	203	240	485	202
# acres of inland lake to improve forest, rangeland, and lake habitat for wildlife and fish species	11,362	11,321	9,361	12,526	134
# acres of anadromous lake to improve forest, rangeland, and lake habitat for wildlife and fish species	4,939	6,748	5,729	4,406	77
# acres of aquatic TES lake habitat to improve forest, rangeland, and lake habitat for wildlife and fish species	45	78	90	1,496	1,662
# acres of terrestrial wildlife habitat restored or enhanced to improve forest, rangeland, and lake habitat for wildlife and fish species	184,527	132,580	155,860	166,785	107

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Revised Target	FY 2001 Actual	2001 Percent Accomplished
# acres of terrestrial TES habitat restored to improve forest, rangeland, and lake habitat for wildlife and fish species	82,247	59,793	90,690	74,338	82
# signed conservation agreements, strategies, and recovery plans	269	314	375	572	153
# of research products, tools, and technologies transferred to users	5,715	6,719	5,704	8,021	141
% forest land covered by the Annual FIA and FHM Programs	21	47.5	62	78	126
# million acres of above-project inventory completed*	63.8	58.7	110	124	113
# assessments completed*	169	130	160	154	96
# acres of wilderness meeting forest plan standards for physical and social conditions	31,300	**	31,450	**	**

* A change to how these measures were calculated occurred during FY 2001.

** A definition problem was discovered in FY 2000. Clarifying guidance to correct this definition was not in place a sufficient amount of time to correct the discrepancy for FY 2001 reporting purposes.

2. Provide Multiple Benefits for People within Capabilities of Ecosystems

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Revised Target	FY 2001 Actual	FY 2001 Percent Accomplished
# annual education contacts	551,000	568,658	555,000	411,589	74
# permits administered for recreation special uses	23,792	24,541	23,700	26,178	110
# heritage sites preserved/ protected	4,345	4,430	3,096	4,808	155
# heritage sites interpreted	593	674	421	601	143
# participating urban communities	10,514*	10,547	11,100	11,021	99
# communities and volunteer fire departments assisted	2,450	2,990	4,332	3062	71
# communities working under broad-based local strategic plans	740	916	925	959	104
# million cubic feet of timber volume offered	437	322	720**	3,180,343	44
# thousand animal unit months of livestock forage	8,903	7,970	8,000	7,790	97
# mineral operations processed	12,247	11,171	***	7,934	***
# mineral operations administered to standard	9,189	****	***	8,254	***
# forests and grasslands initiating or completing new LRMPs or revisions	11	5	15	8	53
# scheduled monitoring reports	101	88	128	104	81
% of enforcement capability	28	30	30	44	147
% of investigative capability	49	51	51	43	84
# miles of boundary line located and maintained	3,102	2,880	3,282	3187	97
# cases resolved to provide and protect public access	332	263	440	292	66
# special use permits administered to standard	18,726	12,108	6,522	12,907	198
Road Condition Index rating	—	305	337	+	+
% roads without critical deferred maintenance needs	40	42	41	10	24
% roads open to intended traffic	90	96	96	94	98
Accident frequency on roads managed and maintained for passenger cars	40	40	40	+	+
% bridges inspected as scheduled	—	67	100	66	66
Average bridge sufficiency rating	—	—	60	—	—
% facilities maintained to meet standard	—	—	20	+	+
# capital improvement projects accomplished	62	73	79	72	91
# million PAOT days of seasonal recreation capacity available	203	198	200	230	115
# miles of trails maintained and improved	33,049	25,575	42,045	44,485	106

* Corrects FY 2000 Annual Performance Report.

**USDA Forest Service capability does not reach the target of 3.6 billion board feet (720 million cubic feet) of combined green and salvage timber offer requested by the FY 2001 Interior and Related agencies Appropriations Act. The USDA Forest Service estimates that its capability is 1.4 billion board feet (284 million cubic feet) of timber offer.

*** Targets were not established for FY 2001.

****Data is not available due to misinterpretation of measure definition.

+ Deleted

— Data not available.

3. Ensure Organizational Effectiveness

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Revised Target	FY 2001 Actual	2001 Percent Accomplished
% total workforce who are minorities, women, and persons with disabilities	48.7	48.8	48.9	49.6	101
% leadership positions (GS-13 and above) held by minorities, women, and persons with disabilities	34.5	35.6	37.2	35.8	96
# persons served in Youth Conservation Corps	717	705	735	891	121
# persons served in Job Corps	8,623	8,818	8,000	9,528	119
# persons served in Senior Community Service Employment Program	5,221	5,410	5,000	5,537	111
% of related indicators for implementation of USDA civil rights initiative	78.4	80	85	90	106
% of employees in workforce participating in CIP survey	46	—	50	—	—
Offer to all customers, contractors, suppliers, and vendors opportunity to conduct electronic financial transactions	Electronic payments by agency available	Electronic funds transfer primary method of payment	Deleted since goal was achieved	Deleted	Deleted
Establish internal enterprise teams to improve management efficiency of national forests in California	Evaluation of initial efforts complete	Corrective action taken based upon evaluations	25 new teams established	Deleted as an indicator of this objective	Deleted
Offer toll-free telephone, World Wide Web, and automated applications to all permittees and applicants of most frequently requested special use permits	All but toll-free telephone access is available	1 new Web-based application added	New Web-based applications added as they are reengineered	1 new Web-based application added as part of reserveusa.com	100
Improve service to public land users by providing one-stop shopping for information, permits, and other frequently requested over-the-counter products and services at BLM and USDA Forest Service facilities	"Service First" plans completed on a State-wide basis	"Service First" plans implemented on a local basis	All "Service First" locations adopt model for information delivery process	340 "Service First" projects implemented	100
# customer satisfaction surveys completed	5	3	4	4	100
# followup analyses	24	0	4	4	100

Performance Measures	FY 1999 Actual	FY 2000 Actual	FY 2001 Revised Target	FY 2001 Actual	FY 2001 Percent Accomplished
Real Property Inventory completed	Yes, partially	Yes, partially	Yes	Yes, partially	---
Timber Sale Accounting system implemented	No	No	No		---
Financial management reports developed	Prototype set partially completed	partially completed	Completed agencywide	partially completed	---
Unqualified audit opinion	No	No	Yes	No	---
Audit items from the Secretary's Management Report eliminated	Yes, partially	Yes, partially	Yes	Yes, partially	---
% of delinquent debts referred to Treasury for offset and cross-servicing	NA	NA	NA	NA	---

- - - Accomplishment cannot be reported as a percentage.

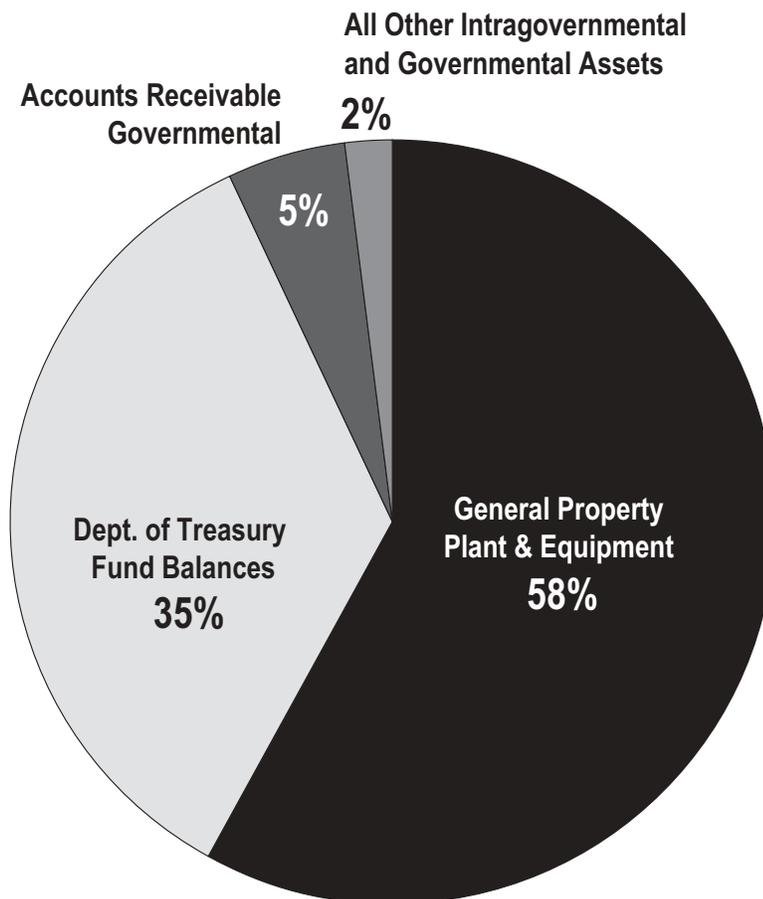
— Data not available

Analysis of Agency's Financial Position

The USDA Forest Service annually produces a series of financial statements to summarize the financial activity and associated financial position of the agency. Five principal statements are shown in [Appendix A](#). They include a Consolidated Balance Sheet, a Statement of Net Cost, a Statement of Change in Net Position, a Statement of Budgetary Resources, and a Statement of Financing. The agency's goal in producing these statements is to provide relevant, reliable, and accurate financial information related to USDA Forest Service activities. Through analysis of the agency's FY 2001 financial statements, the following key points are highlighted.

Assets

The USDA Forest Service reports \$8.5 billion in assets for FY 2001, 98 percent of which are classified in three major categories. First, 58 percent are General Property, Plant and Equipment (General PP&E)—primarily forest road surface improvements, culverts, bridges, campgrounds, administrative buildings, other structures, and equipment purchased for \$5,000 or more. Second, 35 percent are fund balances with the Department of the Treasury—primarily funds derived from congressional appropriations and funds held in trust for accomplishing purposes specified by law. Third, 5 percent, or approximately \$412 million, are accounts receivable—primarily amounts due from other Federal entities or the public as a result of the delivery of goods, services, specific activities performed by the Forest Service.



The approximately \$5 billion for General PP&E includes assets acquired by the USDA Forest Service to be used for conducting business-like activities, such as providing of goods or services. General PP&E does not include the value of heritage assets (agency assets that are historical or significant for their natural, cultural, aesthetic, or other importance and generally are expected to be preserved indefinitely) or the value of stewardship assets (primarily land held by the agency as part of the NFS and not acquired for, or in connection with, other General PP&E). Although heritage and stewardship assets may be considered as priceless, they do not have a readily identifiable financial value and are not recorded within the Annual Financial Statements of the USDA Forest Service. An in-depth discussion of stewardship assets is presented in the [Required Supplementary Stewardship Information](#) section of this report, Appendix E.

Fund balances of approximately \$3 billion with the Department of the Treasury (congressional appropriations and trust funds) are available to the agency to pay authorized expenses and finance purchase commitments. In addition, cash assets for the USDA Forest Service at the end of FY 2001 decreased nearly 100 percent from FY 2000, from \$61.4 million to \$.2 million. This dramatic decrease was due mainly to aggressive work nationwide to resolve issues associated with unreconciled bank deposits. The prompt deposit of cash assets results in funds that are immediately available for other governmental purposes.

Budgetary Resources

The USDA Forest Service had budget authority of just over \$5.3 billion in Federal appropriations during FY 2001, a \$1.4 billion (36 percent) increase over FY 2000. These are general Government funds administered by the Department of the Treasury and appropriated for the agency's use by Congress. The majority of the increase was, by far, related to agency emergency wildland fire management activities. These activities include preparing for or managing wildland fires as well as related work, such as reducing hazardous fuels to lower the danger of wildfires in selected areas. A portion of this increase, \$276 million, was designated by Congress to repay agency funds "borrowed" from other accounts in prior fiscal years to conduct emergency wildland fire management activities. The agency routinely exercises its statutory authority to borrow from any other funds available to the agency on a short-term basis to fight wildland fires. When such borrowing takes place, the agency then requests additional appropriations from Congress to repay such amounts and thereby accomplish the purpose for which the funds were first provided.

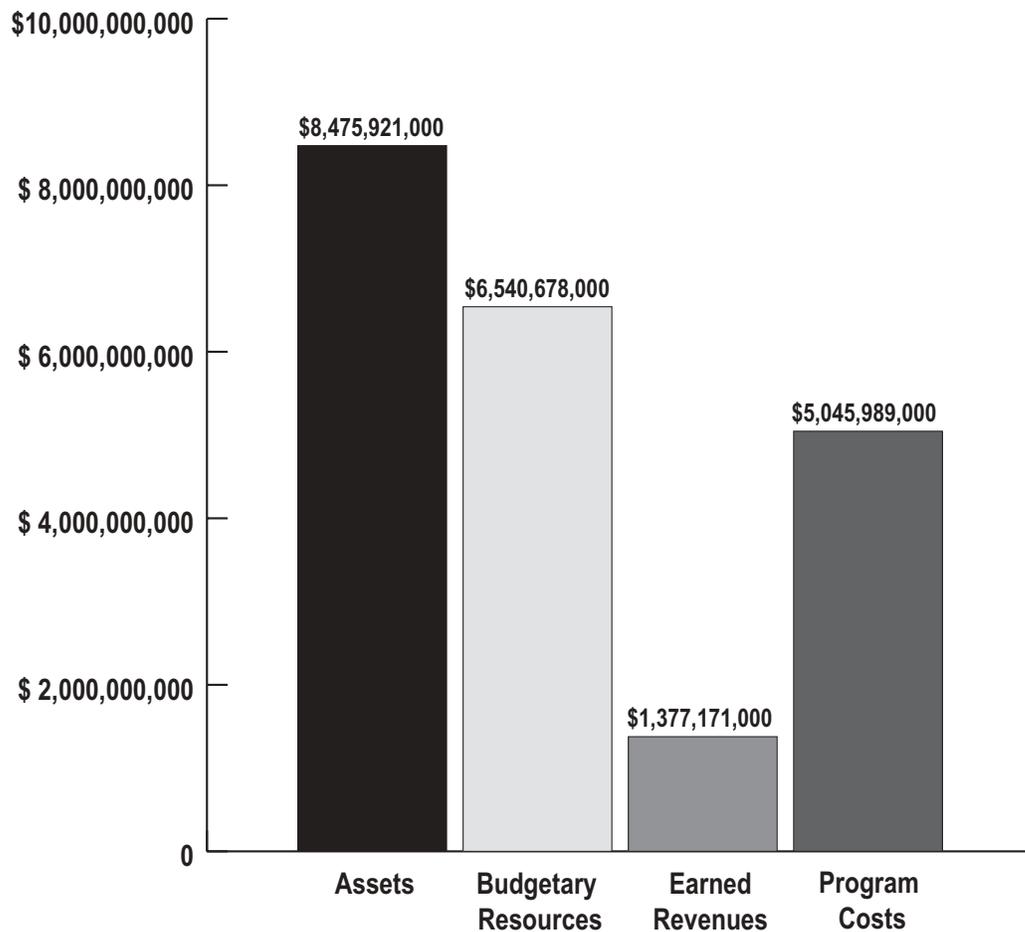
Revenues

The USDA Forest Service collected approximately \$1.4 billion of earned revenue during FY 2001, compared to \$700 million during FY 2000, a 100 percent increase. This increase was derived primarily from activities associated with S&PF (\$316 million) and the NFS (\$214 million). The majority of earned revenues received by the USDA Forest Service arise from two sources: providing goods and services and reimbursable activities. Goods and services include such items as the sale of forest products (timber and firewood), recreational opportunities (campgrounds), mineral resources, livestock grazing, and special land use fees for power generation, resorts, and other business activities conducted on NFS lands. Reimbursable activities include work completed for individuals and businesses cooperating with the agency, as well as work completed mainly in accordance with the Economy Act for other Federal agencies.

The USDA Forest Service distributes a portion of earned revenues to eligible States in accordance with existing law. Of such revenues for FY 2001, \$384 million was distributed to 41 States in accordance with the [Secure Rural Schools and Community Self-Determination Act of 2000](#). This funding will benefit public schools and roads in communities hosting national forests and pay for local forest stewardship projects.

Expenses

The FY 2001 Net Cost of Operations for the USDA Forest Service indicates the impact of deducting earned revenues from program costs. While total gross program costs increased by 8 percent over FY 2000, the net operating costs decreased by approximately \$400 million, from \$4.2 billion to \$3.8 billion. An analysis of the \$5 billion of total gross program costs shows that approximately 58 percent (\$2.9 billion) was associated with the NFS. The S&PF program accounted for approximately 36 percent (\$1.8 billion), and the balance was related to R&D (\$244 million) and Working Capital Fund (WCF) program costs (\$148 million).



Liabilities and Net Position

The USDA Forest Service identified \$2.2 billion in liabilities at the end of FY 2001, representing probable future expenditures arising from past events. Federal agencies, by law, cannot make any payments unless Congress has appropriated funds for such payments. A portion of liabilities reported by the USDA Forest Service for FY 2001, however, is currently not funded by congressional appropriations. For example, 28 percent (\$606 million) consists of unfunded amounts needed to pay employees for annual leave they have earned but not yet taken and Federal Employees' Compensation Act benefits that have accrued to employees for death, disability, medical, and other approved costs that have not been paid. An additional 1 percent of reported liabilities (\$12 million) are custodial liability funds that belong to non-USDA Forest Service entities. These amounts are held by the agency in special receipt accounts pending transfer to an appropriate party.

In addition, liabilities disclosed on the agency's balance sheet do not include estimated costs to clean up hazardous materials arising from the activities of potentially responsible parties (PRPs). Such activities include abandoned mines, landfills, or other sites located on lands administered by the USDA Forest Service. A discussion of the current estimated cost of cleanups (\$2.5 billion) is included in Note 11 to the Principal Financial Statements in Appendix A of this report. The agency is still discovering sites with hazardous materials that will require cleanup. Therefore, the actual number of sites, as well as total cleanup costs, will likely change. In many cases, collection actions are initiated against PRPs to recoup site-specific cleanup costs as they are identified.

A net position of \$6.3 billion is reported for FY 2001, consisting of 44 percent (\$2.8 billion) for unexpended appropriations and 56 percent (\$3.5 billion) as the cumulative results of operations. Unexpended appropriations reflect spending authority made available by congressional appropriation that has not yet been used. Cumulative results of operations reflect the cumulative effect of excess financing over expenses for a budget account since its inception.

Financial Management Controls

This section provides information on the USDA Forest Service's compliance with the following:

- Federal Managers' Financial Integrity Act (FMFIA);
- Inspector General Act Amendments (Audit Followup);
- Federal Financial Management Improvement Act (FFMIA); and
- Biennial review of users fees.

Financial Systems and Controls

The FMFIA requires agencies to annually provide a statement of assurance regarding the effectiveness of management, administrative and accounting controls, and financial management systems. The USDA Forest Service believes that maintaining integrity and accountability in all programs and operations is critical for good government and demonstrates responsible stewardship over assets and resources entrusted to the agency's care.

The USDA Forest Service continues to make significant progress in correcting previously reported material weaknesses, system nonconformances, and timely implementation and closure of audit recommendations. For FY 2001, the USDA Forest Service reports the following:

- One new material weakness; i.e., Timber Sale Environmental Analysis;
- The status of seven open material weaknesses under Section Two of the FMFIA; and
- One instance of system nonconformance under Section Four of FMFIA.

As shown in the following table, significant progress has been made to correct and close previously reported accounting system nonconformances. The USDA Forest Service, in partnership with the U.S. Department of Agriculture, continues to aggressively pursue initiatives to fully integrate the Foundation Financial Information System (FFIS).

Management Controls:
Federal Managers'
Financial Integrity Act

The following tables highlight reported material weaknesses and system nonconformance with general accounting standards.

Section Two Material Weaknesses	Status	Anticipated Correction
Timber Sale Administration	Closed FY 2002	N/A
Financial System	Open	FY 2003
Special Use Permits	Open	FY 2002
Encroachments	Closed FY 2002	N/A
Personal Property	Open	FY 2002
Contracting	Open	FY 2002
Performance Reporting	Open	FY 2003
Timber Sale Environmental Analysis Requirements	Open	FY 2004

Section Four System Nonconformances	Correction Date	Anticipated Correction
Real Property Management Information System	Open	To Be Determined
Central Accounting Subsystem: Credit and Cash Management	Closed FY 2001	N/A
Unpaid Obligations Subsystem	Closed FY 2001	N/A

**Management Followup
to OIG/GAO
Recommendations**

Office of Inspector
General (OIG) Audits
Older than 1 Year

The USDA Forest Service continues to resolve open audit recommendations. As of March 31, 2002, the USDA Forest Service has 25 audits with 84 open recommendations that are 1 year old and older. Of the open audit recommendations, 29 (35 percent) have been completed or will be submitted for closure by the next reporting period.

The following table displays open audits and an estimate of when the agency anticipates completed required work to close each open audit.

Audit Number Date Issued Estimated Closure Date (ECD)	Audit Title
08099-37-AT 08/24/92 09/30/02	FY 91 Financial Statements
08099-42-AT 08/03/93 09/30/02	FY 92 Financial Statements
08099-47-AT 12/15/93 04/30/02	FS Management Report
08099-49-AT 06/10/94 09/30/02	FY 93 Financial Statements
08401-1-AT 06/20/95 09/30/02	FY 94 Financial Statements
08601-7-SF 05/23/95 10/01/02	Controls Over Research Services Provided to External and USDA Forest Service Clients
08801-4-HQ 08/19/98 09/30/02	Review of USDA Forest Service Retroactive Redistribution
08001-1-HQ 06/28/00 09/30/02	USDA Forest Service Implementation of the Government Performance and Results Act
08099-130-SF 09/30/93 06/30/06	USDA Forest Service Timber Sale Cruising Controls
08099-146-SF 05/05/94 05/30/02	Influence of Interest Groups on Timber Sales Management

Audit Number Date Issued Estimated Closure Date (ECD)	Audit Title
08601-1-AT 03/29/96 12/31/02	Hazardous Waste at Active or Abandoned Mines
08801-4-TE 09/29/97 06/30/02	USDA Forest Service Collection on Royalties on Oil and Gas Production
08601-4-AT 03/31/98 04/30/02	USDA Forest Service Wildlife and Fisheries Habitat Management
08601-5-SF 09/30/93 09/30/03	Graduate Rate Fee System
08801-5-SF 04/30/99 10/31/02	Thunderbird Lodge Land Exchange
08003-2-SF 08/05/98 05/01/02	Toiyabe/Humboldt National Forest Land Adjustment Program
08003-6-SF 07/14/00 05/01/02	Zephyr Cove Land Exchange
08801-6-SF 01/19/00 05/01/02	USDA Forest Service Land Adjustment Program San Bernardino National Forest and South
08801-13-AT 03/31/00 10/01/02	USDA Forest Service National Fire Cache System
08017-13-SF 09/19/00 In-Litigation	Equitable Adjustment Claim Environmental Consulting, Planning, and Design
08801-3-SF 06/16/00 04/15/02	Review of the Confidential Financial Disclosure System
08002-2-SF 11/28/00 09/30/02	Valuation of Lands Acquired in Congressionally Designated Areas

Financial Management

The USDA Forest Service has aggressively acted to correct the agency's financial systems, improving the quality of financial data. FY 2001 marks the second year of FFIS, which is fully compliant with Federal financial requirements and incorporates the U.S. Standard General Ledger.

Federal Financial Management Improvement Act

The FFMIA of 1996 requires that Federal agencies use the U.S. Standard General Ledger, comply with Federal accounting standards, and establish financial management systems that support full disclosure of financial data, including the full cost of Federal programs and activities. If an agency is not in compliance with these requirements, the FFMIA requires that the agency head establish a remediation plan to bring the agency's financial management systems into substantial compliance.

FY 2001 USDA Forest Service Remediation Plan

For FY 2000, the USDA-OIG reported that the agency's financial management systems did not comply with Federal requirements in several areas. The following table highlights areas of noncompliance and a closure date.

FFMIA Requirement	Area of Noncompliance	Target Completion Date
1. All feeder systems are integrated or electronically interfaced with the core financial system.	The INFRA Real Property subsystem is not interfaced with the FFIS.	Original Target of December 2001 revised to September 30, 2002
2. Internal controls over data entry, transaction processing, and reporting shall be applied consistently throughout the system to ensure the validity of information and the protection of Federal Government resources.	2a. General ledger adjustments were made so that FFIS account balances would agree with Treasury records.	TARGET COMPLETED
	2b. Inaccurate posting models, which were established by the USDA Office of the Chief Financial Officer (CFO), Associate CFO for Financial Systems, resulted in erroneous general ledger account balances.	May 31, 2002
	2c. Invalid obligations and payables were entered into FFIS.	TARGET COMPLETED
	2d. Audit trails and support for billings and receivables is inadequate. Field units did not obtain monthly listings to verify the accuracy and validity of accounts receivable. Amounts were reported as accounts receivable even though not valid. Some accounts receivable transactions were duplicated.	TARGET COMPLETED

FFMIA Requirement	Area of Noncompliance	Target Completion Date
3. Agency financial management systems shall enable the agency to prepare, execute, and report on the agency's budget in accordance with OMB Circulars A-11 and A-34, and other OMB circulars and bulletins.	USDA Forest Service violated the Anti-Deficiency Act in FY 2000 by overobligating Wildland Fire Management Appropriations.	May 31, 2002
4. Adequate training and user support shall be provided to the users of financial management systems.	USDA Forest Service users lacked specific training on setting up agreements in the Project Cost Accounting System and processing billings and advance liquidation documents.	TARGET COMPLETED
5. Financial management systems shall provide financial reports in a timely and useful fashion.	USDA Forest Service should develop and use monthly reports that are more helpful to field units.	TARGET COMPLETED

**FY 2002
Remediation Plan**

The FY 2001 auditor's opinion on the agency's annual financial statements has been disclaimed. A remediation plan for FY 2002 is being developed.

**Biennial Review of
Users Fees**

The Chief Financial Officers (CFO) Act of 1990 requires biennial reviews by Federal agencies of fees, rents, and other charges imposed for goods or services provided to others. The objective of these reviews is to identify such activities and begin charging fees, if permitted by law, and to periodically adjust existing fees to reflect current costs or market value.

Approximately one-half of the agency's users fee inventory is reviewed in any given year. As part of the agency's FY 2001 Financial Analysis Program, a review of users fees was conducted, which indicated that the reviewed fees reflected current costs or market values, or were consistent with legislative mandates.

Limitations of Financial Statements

Pursuant to the requirements of the CFO Act of 1990, as amended by GPRA, the USDA Forest Service prepared the financial statements that follow to report the financial position and results of USDA Forest Service operations. The FY 2001 financial statements consist of the Consolidated Balance Sheet, Statement of Net Cost, Statement of Financing, Required Supplementary Stewardship Information, and Required Supplementary Information. The following limitations apply to the preparation of the FY 2001 financial statements:

- The USDA Forest Service prepared the financial statements to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515 (b).
- While the agency prepared the statements from the books and records of the entity in accordance with the formats prescribed by the Office of Management and Budget (OMB), the statements are different from the financial reports used to monitor and control budgetary resources that are prepared from the same books and records.
- The statements should be read with the realization that they are for a component of a sovereign entity. Liabilities not covered by budgetary resources cannot be liquidated without the enactment of an appropriation. Payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

Appendix A—Principal Financial Statements and Notes, FY 2001

Consolidated Balance Sheet

Statement of Net Cost

Statement of Change in Net Position

Statement of Budgetary Resources

Statement of Financing

Notes to the Principal Financial Statements

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
CONSOLIDATED BALANCE SHEET
As of September 30, 2001
(Dollars In Thousands)**

ASSETS

Intragovernmental

Fund Balance with Treasury (Note 2)	\$ 2,995,515
Accounts Receivable, Net (Note 5)	53,656
Other Assets (Note 6)	(2,893)

Total Intragovernmental	3,046,278
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Accounts Receivable, Net (Note 5)	412,205
Cash and Other Monetary Assets (Note 3)	222
Inventory and Related Property, Net (Note 8)	40,236
General Property, Plant and Equipment, Net (Note 9)	4,955,181
Other Assets (Note 6)	19,004
Investments (Note 4)	2,795

TOTAL ASSETS	\$ 8,475,921
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**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
CONSOLIDATED BALANCE SHEET
As of September 30, 2001
(Dollars In Thousands)**

LIABILITIES

Intragovernmental

Accounts Payable	\$	38,558
Federal Employees Compensation Act Bills (Note 11)		61,370
Other Liabilities (Note 11)		336,811

Total Intragovernmental		436,739
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Federal Employees Compensation Act Liability (Note 11)		380,957
Accounts Payable		240,444
Annual Leave (Note 11)		163,343
Other Liabilities (Note 11)		954,191

TOTAL LIABILITIES		2,175,674
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NET POSITION

Unexpended Appropriations (Note 15)		2,847,662
Cumulative Results of Operations (Note 15)		3,452,585

TOTAL NET POSITION		6,300,247
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TOTAL LIABILITIES AND NET POSITION	\$	8,475,921
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**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
STATEMENT OF NET COST
For the 12 Months Ended September 30, 2001**

(Dollars In Thousands)

	National Forests and Grasslands	State and Private Forestry	Forest Research	Total	Working Capital Fund	Total
Program Costs						
Intragovernmental						
Production	\$ 334,158	\$ 131,638	\$ 7,464	\$ 473,260	\$ 21,148	\$ 494,408
With the Public						
Grants and Transfers Indemnities	3,210	4,163	62	7,435	11	7,446
Grants and Transfers Grants and Payments	7,617	193,442	4,478	205,537	5	205,542
Other Program Costs	2,530,486	1,449,172	232,369	4,212,027	126,566	4,338,593
Total Program Costs	2,875,471	1,778,415	244,373	4,898,259	147,730	5,045,989
Less: Earned Revenues	(947,457)	(238,367)	(43,617)	(1,229,441)	(147,730)	(1,377,171)
Excess Production Costs over Revenues	1,928,014	1,540,048	200,756	3,668,818	0	3,668,818
Non Production Costs						
Imputed Financing	27,310	0	0	27,310	0	27,310
Acquisition Cost of Stewardship Land	87,066	0	0	87,066	0	87,066
Net Program Cost	2,042,390	1,540,048	200,756	3,783,194	0	3,783,194
Cost Not Assigned to Programs	0	0	0	0	0	0
NET COST OF OPERATIONS (Note 17)	\$ 2,042,390	\$ 1,540,048	\$ 200,756	\$ 3,783,194	0	3,783,194

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
STATEMENT OF CHANGE IN NET POSITION**

For the 12 Months Ended September 30, 2001

(Dollars In Thousands)

	National Forests and Grasslands	State and Private Forestry	Forest Research	Working Capital Fund	Total
Net Cost of Operations	\$ (2,042,390)	\$(1,540,048)	\$ (200,756)	\$ 0	\$ (3,783,194)
FINANCING SOURCES					
Appropriations Used	1,872,835	1,748,525	220,741	(277)	3,841,824
Taxes (and other non exchange revenue)	10	0	0		10
Donations (non exchange revenue)	5,587	(1,494)	86	271	4,450
Imputed Financing	96,310	0	0	0	96,310
Transfers In	33,015	64	85	22,107	55,271
Transfers Out	58,259	(42,900)	(1,345)	(228)	13,786
Other Financing Sources	236,968	(997,592)	14,966	2,689	(742,969)
	<u>\$2,302,984</u>	<u>\$706,603</u>	<u>\$234,533</u>	<u>\$24,562</u>	<u>\$3,268,682</u>
Net Results of Operations	\$260,594	(\$833,445)	\$33,777	\$24,562	(\$514,512)
Prior Period Adjustments (Note 18)	(339,085)	(102,291)	(16,652)	50,387	(407,641)
Net Change in Cumulative Results of Operations	(\$78,491)	(\$935,736)	\$17,125	\$74,949	(\$922,153)
Increase/(Decrease) in Unexpended Appropriations	365,009	895,047	14,333	(1,827)	1,272,562
Change in Net Position	\$286,518	(\$40,689)	\$31,458	\$73,122	\$350,409
Net Position Beginning of Period	4,833,861	470,753	100,496	544,728	5,949,838
NET POSITION END OF PERIOD	<u><u>\$5,120,379</u></u>	<u><u>\$430,064</u></u>	<u><u>\$131,954</u></u>	<u><u>\$617,850</u></u>	<u><u>\$6,300,247</u></u>

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
STATEMENT OF BUDGETARY RESOURCES
For the 12 Months Ended September 30, 2001
(Dollars In Thousands)**

BUDGETARY RESOURCES

Budget Authority	\$ 5,309,184
Unobligated Balance Beginning of Period	535,497
Spending Authority from Offsetting Collections	470,484
Adjustments	225,513

TOTAL BUDGETARY RESOURCES

\$ 6,540,678

STATUS OF BUDGETARY RESOURCES

Obligations Incurred	\$ 5,197,850
Unobligated Balance Available	850,764
Unobligated Balance Not Available	492,064

TOTAL STATUS OF BUDGETARY RESOURCES

\$ 6,540,678

OUTLAYS

Obligations Incurred	\$ 5,197,850
Less: Spending Authority from Offsetting Collections and Adjustments	(698,218)
Obligated Balance, Net Beginning of Period	1,370,980
Less: Obligated Balance, Net End of Period	(1,540,125)

TOTAL OUTLAYS

\$ 4,330,487

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
STATEMENT OF FINANCING
For the 12 Months Ended September 30, 2001
(Dollars In Thousands)**

OBLIGATIONS AND NON BUDGETARY RESOURCES

Obligations Incurred	\$ 5,197,850
Less: Spending Authority from Offsetting Collections and Adjustments	(698,218)
Donations Not in the Entity's Budget	4,450
Financing Imputed for Cost Subsidies	96,310
Transfer in (out)	(69,057)
Exchange Revenue Not in the Entity's Budget	(726,574)
Nonexchange Revenue Not in the Entity's Budget	(10)
Less: Trust & Special Fund Receipts Related to Exchange Revenue in Entity's Budget	(579,642)

Total Obligations as Adjusted and Non Budgetary Resources	3,225,109
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RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS

Change in Amount of Goods/Services Ordered but Not Yet Provided (Net Increase)/Net Decrease	80,524
Change in Unfilled Customer Orders	129,657
Costs Capitalized on Balance Sheet (Increase)/Decrease	(278,092)
Other	173,797

Total Resources that Do Not Fund Net Cost of Operations	105,886
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COMPONENTS OF COSTS THAT DO NOT REQUIRE OR GENERATE RESOURCES

Depreciation and Amortization	377,612
Bad Debts Related to Uncollectible Non credit Reform Receivables	49,067
Loss on Disposition of Assets	1,097
Other	(2,887)

Total Components of Costs that Do Not Require or Generate Resources	424,889
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FINANCING SOURCES YET TO BE PROVIDED	27,310
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NET COST OF OPERATIONS	\$ 3,783,194
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Notes to the Principal Financial Statements FY 2001 (Audited)

Note 1. Significant Accounting Policies

A. Reporting Entity

The Forest Service was established on February 1, 1905, as an agency of the United States within the U.S. Department of Agriculture (USDA), for the purpose of maintaining and managing the Nation's forest reserves. It operates under the guidance of the Under Secretary for Natural Resources and Environment. USDA Forest Service policy is implemented through 9 regional offices, 6 research offices, and 1 State and Private Forestry area office, with 868 administrative units functioning in 44 States, Puerto Rico, and the Virgin Islands.

The USDA Forest Service's mission includes the following activities:

- Protection and management of approximately 192 million acres of National Forest System land, which includes 34.8 million acres of designated wilderness areas;
- Research and development of forestry and rangeland management practices to provide scientific and technical knowledge for enhancing and protecting the economic productivity and environmental quality of the Nation's 1.6 billion acres of forests and associated rangelands;
- Utilization of cooperative agreements with State and local governments, forest industries, and private landowners to help protect and manage non-Federal forests and associated rangeland and watershed areas;
- Partnering with other nations and organizations to foster global natural resource conservation and sustainable development of the world's forest resources; and
- Execution of human resource programs that employ, train, or educate the young, unemployed, underemployed, economically disadvantaged, disabled, and elderly.

The accompanying financial statements of the USDA Forest Service include the accounts of all funds under the USDA Forest Service's control.

B. Basis of Accounting

These financial statements were prepared to report the financial position and results of operations of the USDA Forest Service, as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. They have been prepared from the books and records of the USDA Forest Service in accordance with generally accepted accounting principles (GAAP). The USDA Forest Service follows the Federal GAAP hierarchy of accounting policies, which is presented below.

1. The Federal Accounting Standards Advisory Board (FASAB), Statements of Federal Financial Accounting Standards (SFFASs), and Interpretations plus American Institute of Certified Public Accountants (AICPA), and Financial Accounting Standards Board (FASB) pronouncements specific to Federal entities;
2. FASAB Technical Bulletins, AICPA Industry Audit and Accounting Guides, and Statements of Position (SOP) specific to Federal entities;

3. AICPA Accounting Standards Executive Committee (ACSEC) Practice Bulletins when specifically made applicable to Federal governmental entities and cleared by the FASAB, and Accounting and Auditing Policy Committee (AAPC) technical releases of the FASAB;
4. FASAB Implementation Guides and widely recognized and prevalent practices in the Federal Government; and
5. Other accounting literature (including FASAB Concept Statements).

Basis of Presentation: The accounting structure of Federal Government agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method, revenues are recognized when earned; expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases exists before the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls.

On the Statement of Net Cost and Balance Sheet, all significant intra-entity balances and transactions have been eliminated in consolidation. No such eliminations have been made on the Statement of Budgetary Resources.

The Statement of Financing contains eliminations of proprietary intra-entity amounts. Budgetary intra-entity amounts, however, have not been eliminated.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Exchange and Nonexchange Revenue: In accordance with Federal Government accounting guidance, the USDA Forest Service classifies revenue as either "exchange revenue" or "nonexchange revenue." Exchange revenue arises from transactions that occur when each party to the transaction sacrifices value and receives value in return. In many cases, the USDA Forest Service is required to remit exchange revenue receipts to the U.S. Department of the Treasury (Department of Treasury). In other instances the USDA Forest Service is authorized to use a portion of its exchange revenues for specific purposes. Nonexchange revenue is revenue the Federal Government is able to demand or receive because of its sovereign powers.

Full Cost: In accordance with Federal Government accounting guidance, the USDA Forest Service measures and reports the full cost of products and services generated from the consumption of resources. Full cost is the total amount of resources used to produce a product or provide a service unless otherwise noted. For FY 2001, Treasury Judgment Fund costs not associated with a particular mission area (responsibility segment) are presented in an adjustment column on the Statement of Net Cost.

Imputed Pension and Other Retirement Benefits: In accordance with Federal Government accounting guidance, the USDA Forest Service recognizes the liability and associated expense for employee pensions and other retirement benefits (including health care and other post-employment benefits) at the time the employee's services are rendered.

Pension expenses, retirement health benefits, and related liabilities are recorded at estimated actuarial present value of future benefits, less the estimated actuarial present value of normal cost contributions made by, and for, covered employees. Other post-employment benefit expenses and related liabilities are recognized when the future outflow of resources is probable and measurable on the basis of events occurring on or before the reporting date.

Workers' Compensation Liability: The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Consequently, the USDA Forest Service recognizes a liability for this compensation that is composed of two components: (1) an accrued liability that represents money owed for claims paid through the current fiscal year and (2) an actuarial liability that represents the expected liability for approved compensation cases beyond the current fiscal year. Claims incurred for benefits for the USDA Forest Service's employees under FECA are administered by the U.S. Department of Labor (DOL) and are ultimately paid by the USDA.

C. Revenues and Other Financing Sources

The USDA Forest Service is funded principally through congressional appropriations and other authorizations from the Budget of the United States. The USDA Forest Service receives both annual and multiyear appropriations that are used, within statutory limits, for operating and capital expenditures. Other funding sources are derived through reimbursements for services performed for other Federal agencies, sale of goods to the public, gifts from donors, and interest on invested funds.

Appropriations are recognized as revenues at the time the related programs or administrative expenses are incurred. Appropriations expended for property and equipment are recognized as expenses when an asset is consumed in operations. Other revenues are recognized when earned; that is when goods have been delivered or services rendered.

D. Fund Balance with the Department of Treasury and Cash and Other Monetary Assets

The Department of Treasury processes cash receipts and disbursements. Funds with the Department of Treasury are primarily trust and appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. Cash and Other Monetary Assets consist of undeposited collections, imprest funds, and unrequisioned authorized appropriations.

E. General Property, Plant and Equipment

General Property, Plant and Equipment (PP&E) purchases of \$5,000 or more and having a useful life of 2 or more years are capitalized. Major additions, replacements, alterations, and road prisms (roadbeds) costs are also capitalized. Normal repairs and maintenance costs are expensed as incurred. General property and equipment is depreciated over its net service life on a straight-line basis.

F. Advances and Prepayments

Payments in advance of the receipt of goods and services are recorded as advances and prepayments at the time of payment and recognized as expenditures/expenses when the related goods and services are received.

G. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the USDA Forest Service as a result of a transaction or event that has occurred. The USDA Forest Service cannot satisfy a liability, however, without an appropriation. Liabilities for which there is no appropriation, and for which there is no certainty that an appropriation will be enacted, are classified as unfunded liabilities. The Government, acting in its sovereign capacity, can abrogate liabilities.

Other Liabilities segregates other liabilities between those covered by budgetary resources versus not covered by budgetary resources.

H. Commitments and Contingencies

Probable and estimable unsettled litigation and claims against the USDA Forest Service are recognized as a liability and expense for the full amount of the expected loss. Expected litigation and claim losses include settlements to be paid from the Treasury Judgment Fund on behalf of the USDA Forest Service and from other appropriations. The USDA Forest Service is a party in various administrative proceedings, legal actions, environmental suits, and claims brought by or against it. In the opinion of USDA Forest Service management and legal counsel, the ultimate resolution of these proceedings is currently indeterminable.

I. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of leave are expended as taken.

J. Retirement Plans

Most of the USDA Forest Service employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). For employees covered under the CSRS, the USDA Forest Service withholds 8.51 percent of their gross earnings. The USDA Forest Service matches the employees' contribution and the sum is transferred to CSRS. The USDA Forest Service does not report CSRS assets, accumulated plan benefits, or unfunded liabilities (if any) applicable to its employees. Reporting such amounts is the responsibility of the Office of Personnel Management. FERS became effective January 1, 1987, pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. For employees covered under FERS, the USDA Forest Service withholds, in addition to Social Security, 1 percent of gross earnings.

On April 1, 1987, the Federal Government initiated the Thrift Savings Plan (TSP), which is a retirement savings and investment plan for Federal employees covered by either FERS or CSRS. FERS employees may contribute up to 11 percent of their gross pay to the TSP. The USDA Forest Service automatically contributes 1 percent of a FERS employee's gross salary to the TSP. For the first 3 percent of gross pay contributed by a FERS employee, the agency will match the contribution dollar for dollar. For the next 2 percent contributed, the agency will match 50 cents per dollar contributed. CSRS employees may contribute up to 6 percent of their gross pay, but there is no matching contribution.

Ceilings for employee contributions to the TSP are established on a calendar year basis. The maximum amount that FERS employees could contribute to the TSP in calendar year 2001 was the lesser of \$10,500 or 11 percent of their gross pay. The maximum amount that CSRS employees could contribute to the plan in calendar year 2001 was the lesser of \$10,500 or 6 percent of their gross pay. The sum of employee and agency contributions is transferred to the TSP, which is administered by the Federal Retirement Thrift Investment Board.

Note 2. Fund Balance with Treasury

The Department of Treasury processes cash receipts and disbursements. Funds with the Department of Treasury are primarily trust and appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. Fund balances with the Department of Treasury include both entity and nonentity fund balances.

Fund balances as of September 30, 2001, consist of the following:

(In Thousands)			
Fund Type	Entity	Nonentity	Total
(1) Trust Funds	\$ 420,766	\$ -	\$ 420,766
(2) Revolving Funds	152,666	-	152,666
(3) Appropriated Funds	2,284,523	115,458	2,399,981
(4) Other Fund Types	22,102	-	22,102
Total	\$ 2,880,057	\$ 115,458	\$ 2,995,515

Note 3. Cash and Other Monetary Assets

Cash and Other Monetary Assets amounting to \$222,178 as of September 30, 2001, consist of undeposited collections, imprest funds, and unrequisioned authorized appropriations.

(In Thousands)		
	Entity Assets	Nonentity Assets
A. Cash	\$ 222	\$ -
B. Foreign Currency	-	-
C. Other Monetary Assets	-	-
(1) Gold	-	-
(2) Special Drawing Rights	-	-
(3) U.S. Reserves in International Monetary Fund	-	-
(4) Other	-	-
(5) Total Other Monetary Assets	-	-
D. Total Cash, Foreign Currency, and Other Monetary Assets	\$ 222	\$ -

In accordance with a consent decree and settlement agreement issued in FY 1998, Crown Butte Mines, Inc., paid \$22.5 million to the U.S. Government. The consent decree called for the amount to be held in an interest-bearing escrow account in a private, federally chartered, financial institution, to be used by the Secretary of Agriculture for environmental cleanup of the New World Mine in Park County, MT. The Secretary of Agriculture delegated oversight authority for the restoration plan to the USDA Forest Service. Because this authority excludes authorization to expend monies from the account, the funds are not included in the financial statements of the USDA Forest Service.

NOTE 4. Investments

As of September 30, 2001, the USDA Forest Service retained \$2,795,000 in other investments that consist of securities deposited in the Federal Reserve System by timber purchasers on behalf of the USDA Forest Service in lieu of furnishing sureties on bid, performance, and payment bonds.

	(In Thousands)					
	(1) Cost	(2) Amortization Method	(3) Unamortized (Premium)/ Discount	(4) Market Value, Net	(5) Investment, Net	(6) Required Market Value Disclosure
A. Intragovernmental Securities:	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
(1) Marketable						
(2) Nonmarketable: Par value						
(3) Nonmarketable: Market-based						
Subtotal	\$ -		\$ -	\$ -	\$ -	\$ -
B. Governmental Securities:		N/A				
(1) Certificate of Deposit	\$ 2,795			\$ 2,795	\$ 2,795	
(2) Other						
(3)						
Subtotal	\$ 2,795		\$ -	\$ 2,795	\$ 2,795	\$ -
Total	\$ 2,795		\$ -	\$ 2,795	\$ 2,795	\$ -
C. Other Information:						

Note 5. Accounts Receivable Net

Federal receivables can rise from a variety of sources and purposes and must be recognized when the entity establishes a claim to cash or other assets (1) based on legal or contractual provisions; (2) as a result of tax, fee, or penalty assessment; or (3) as a result of delivery of goods, services, or performance that is binding on the Federal entity. Accounts receivables of Federal entities must be classified as either entity receivables (amounts claimed as due from other Federal entities or the public, which may be included in the entity's obligational authority) or nonentity receivables (amounts to be collected on behalf of the U.S. Government, but which the Federal entity is not authorized to spend). An allowance for estimated uncollectible receivables is recognized to reduce outstanding receivables to the net realizable value.

Entity Accounts Receivable, Intragovernmental: The Economy Act (31 U.S.C. §1535 - 1536), the Granger-Thye Act of 1950 (16 U.S.C. § 572), and other authorities authorize Federal agencies to enter into agreements with other Federal agencies to acquire needed expertise or to more efficiently achieve goals and objectives. The USDA Forest Service has provided services to other agencies and departments through programs such as the Forestry Incentives Program, the Agricultural Conservation Program, and the Senior Community Service Employment Program.

Entity Accounts Receivable, Governmental: Receivables in this line item are composed mainly of reimbursements and refunds of fire prevention and suppression funds. Under joint agreements with the States, the USDA Forest Service invoices for firefighting-related services it performs.

Governmental nontimber-related receivables are reduced by an allowance for doubtful accounts of 20 or 80 percent according to the age. Governmental timber-related receivables (defaulted timber sales) are reduced by an allowance for doubtful accounts based on USDA Forest Service estimates. The estimates of doubtful accounts are based on management's analysis of the accounts and on current economic conditions. No allowance for doubtful accounts is computed for intragovernmental receivables.

Nonentity Accounts Receivable: The USDA Forest Service does not have Nonentity Accounts Receivables.

Accounts Receivable, Net, as of September 30, 2001, consists of the following:

Entity	(In Thousands)		
	Gross Accounts Receivable	Allowance	Net Accounts Receivable
Intragovernmental	\$ 53,656	\$ -	\$ 53,656
Governmental	490,696	(78,491)	412,205
Total Entity	544,352	(78,491)	465,861
Total	\$ 544,352	\$ (78,491)	\$ 465,861

Note 6. Other Assets

Other assets as of September 30, 2001, consist of the following:

	(In Thousands)
A. Other Entity Assets	
1. Intragovernmental	
Advances and Prepayments	\$ 1,007
Unrequisitioned Authorized Appropriations	(3,900)
Total	\$ (2,893)
2. Governmental	
Advances and Prepayments	\$ 19,210
Total	\$ 19,210
B. Other Information:	
C. Other Nonentity Assets	
1. Intragovernmental	\$ -
Total	-
2. Governmental	
Advances and Prepayments	(206)
Total	\$ (206)
D. Other Information:	

Other entity assets consist primarily of advances and prepayments for the receipt of goods and services before actual receipt, and also include \$3.9 million in appropriations available for USDA Forest Service requisition in the Federal Highway Fund.

Other nonentity assets consist entirely of advances and prepayments.

Note 7. Credit Programs

The USDA Forest Service does not participate in guaranteed loan programs and has no Credit Reform Act activity; therefore, this note is not applicable to the agency.

Note 8. Inventory and Related Property, Net

As of September 30, 2001, Inventory and Related Property, Net, consist of the following:

	(In Thousands)
Items held for use	\$ 40,236
Items held in reserve for future use	-
Excess, obsolete, and unserviceable items	-
Total Operating Materials and Supplies	\$ 40,236

Inventory and Related Property is composed of (1) Working Capital Fund (WCF) materials and supplies and (2) materials and supplies for agency operations. WCF materials and supplies (for example, raw materials, stock, and tree seedlings) are maintained to facilitate distribution of certain stock items to users who are subsequently billed commensurate with items used. Thus, costs of providing these items are recovered.

Materials for agency use consists primarily of supplies for fleet equipment rental and are adjusted to reflect the results of periodic physical inventories. The USDA Forest Service does not hold inventory for current or future sale.

Beginning in FY 2001, the USDA Forest Service changed its accounting policy regarding Fire Cache inventory. This property had been capitalized in prior years, but is now expensed. The remaining capitalized Fire Cache inventory of approximately \$54.2 million was removed from the balance sheet.

Materials for agency use consist primarily of supplies for fleet equipment rental and are adjusted to reflect the results of periodic physical inventories.

Valuation Methods: Inventories in the WCF and materials for agency use are valued based on the cost-basis method.

Allowance: Management has established no allowance against these balances because operating materials and supplies that are not usable because of spoilage, obsolescence, damage, etc., are considered immaterial.

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2001, General PP&E, Net, consists of the following:

Classes	(In Thousands)			
	Useful Life (Years)	Cost	Accumulated Depreciation	Book Value
Personal Property				
ADP Hardware		\$ -	\$ -	\$ -
Equipment	5 -15	936,526	459,216	477,310
Internal Use Software	3 -10	97,994	21,957	76,037
Vehicles	4 -20			
Other		10		10
Real Property				
Buildings	30	\$ 822,731	\$ 447,503	\$ 375,228
Dam Systems	50			
Developed Sites	20			
Land	N/A	49,216		49,216
Roads and Bridges	10 -50	6,055,371	3,437,663	2,617,708
Other	15 -30	3,174,592	1,814,920	1,359,672
Total		\$11,136,440	\$ 6,181,259	\$ 4,955,181

General PP&E consists of general-purpose real property; road surface improvements to land; buildings; other structures and improvements, including culverts and bridges; and equipment at a threshold at or above \$5,000. General PP&E is recorded at acquisition cost and is reported net of accumulated depreciation.

To address previously reported documentation deficiencies, during FY 2000, the USDA Forest Service issued property inventory instructions that provided detailed direction for the physical verification of assets and the verification of accounting data to the supporting documentation. The USDA Forest Service also revalued its road prisms, which represent land that has been leveled or filled to fit the contour of the earth to prepare for construction of a road. This revaluation was performed in accordance with FASAB guidance.

Additionally, in FY 2001, the USDA Forest Service in partnership with the Office of Inspector General and KPMG, Inc., undertook an effort to properly value and record all of its real property assets. This effort involves a methodology that uses a combination of existence, valuation and completeness testing, and appraisals to estimate the total net book value for the USDA Forest Service real property assets. At the conclusion of this effort, the USDA Forest Service financial statement real property values for assets acquired before FY 2002 will be considered proper and final for audit purposes.

Note 10. Debt

As of September 30, 2001, the USDA Forest Service did not hold debt, current or long term.

Note 11. Other Liabilities

The components of Other Liabilities as of September 30, 2001, consist of the following:

(In Thousands)			
Other Liabilities Covered By Budgetary Resources			
	Noncurrent	Current	Total
Intragovernmental			
Other Accrued Liabilities	\$ -	\$ 63,141	\$ 63,141
Advances from Others	-	23,467	23,467
Trust and Deposit Liabilities	-	(160,230)	(160,230)
Custodial Liability	-	267,502	267,502
Other Liability	-	(6,470)	(6,470)
Total Intragovernmental	\$ -	\$ 187,410	\$ 187,410
Governmental			
Other Accrued Liabilities	\$ -	\$ 228,791	\$ 228,791
Accrued Funded Payroll and Benefits	-	410,369	410,369
Employer Contribution and Payroll Tax	-	14,771	14,771
Advances from Others	-	78,857	78,857
Purchaser Road Credits	-	14,130	14,130
Trust and Deposit Liabilities	-	420,112	420,112
Custodial Liability	-	(255,294)	(255,294)
Other Liabilities	-	9,624	9,624
Total Governmental	\$ -	\$ 921,360	\$ 921,360

(In Thousands)			
Other Liabilities Not Covered By Budgetary Resources			
	Noncurrent	Current	Total
Intragovernmental			
Contingent Liabilities	\$ -	\$ 149,401	\$ 149,401
Total Intragovernmental	\$ -	\$ 149,401	\$ 149,401
Governmental			
Other Actuarial Liabilities	\$ -	\$ 4,431	\$ 4,431
Contingent Liabilities	-	28,400	28,400
Total Governmental	\$ -	\$ 32,831	\$ 32,831

Purchaser Road Credits: Purchaser Road Credits (PRCs) are liabilities arising under timber sales contracts issued through April 1999 that are still in effect. Under the terms of certain timber sales contracts, timber purchasers are allowed to construct roads to gain access to timber. If the USDA Forest Service has a use for the roads upon contract completion, the timber purchaser is given a credit, referred to as a PRC, for the value of the roads, to the extent their service lives exceed the contract's duration. Effective April 1999, in accordance with 16 U.S.C. § 535a, such PRCs are prohibited on newly issued timber contracts.

The amount of the PRC granted to contractors in connection with pre-April 1999 contracts is based on a USDA Forest Service engineering estimate made at the time of the timber sale. A PRC is established when the USDA Forest Service accepts the road. At that time, an asset (a component of PP&E) and a liability (Unearned Revenue, Governmental) are recorded for the amount of the PRC established.

On applicable contracts, the timber purchaser can use the PRC as an offset to payments on timber harvested. As the PRC is used in lieu of cash in paying for timber harvested, the amount in unearned revenue is reduced and current year revenue is recognized. If all PRCs have not been applied when the contract is closed, they are canceled and the amounts are removed from the unearned revenue account. PRCs that are not applied against the timber sale contract price are, in effect, donated to the Federal Government.

With the prohibition of PRCs pursuant to 16 U.S.C. § 535a, the method of accounting for these costs changed from recording PRCs to recording specific road construction (SRC) as revenue.

Advances From Others: Advances from Others consist of monies on deposit for cooperative work project agreements with the public.

Trust and Deposit Liabilities: The Trust and Deposit Liabilities include liabilities that have been temporarily included in suspense accounts. Trust and Deposit Liabilities, Governmental, consists primarily of cash prepayments and deposits from timber purchasers before the actual harvest of timber. Advances remain a liability until the timber is cut.

Custodial Liability: Custodial Liability consists of amounts held in special receipt accounts that belong to non-USDA Forest Service entities. (See Note 21 for more on custodial liability.)

Firefighting Liability: The USDA Forest Service is permitted by Federal law (16 U.S.C. § 535d) to advance money from any USDA Forest Service appropriation to the firefighting appropriation for the purpose of fighting fires. Upon requesting and receiving a supplemental appropriation for these expenses, the USDA Forest Service must repay the appropriation from which the funds were obtained.

During FY 1988 through 1997, the USDA Forest Service incurred obligations to fight fires that had not been funded in advance by appropriations. The USDA Forest Service used unobligated balances in the Knutson-Vandenburg (K-V) Trust Fund to pay these expenses. The amount to be repaid to the K-V fund fluctuates depending on the severity of the fire season in a given fiscal year. As a result of the record fire year in FY 2000, approximately \$200 million was transferred to the Wildland Fire Management fund from the K-V fund to pay for expenses incurred but not funded by appropriations. As of September 30, 2001, the trust fund had not been reimbursed \$628.5 million. This amount will not be recognized until such time as Congress authorizes supplemental funding to repay the trust fund loan.

Additionally, during FY 2001 the USDA Forest Service transferred approximately \$161 million to the Wildland Fire Management fund from various funds to pay for expenses incurred but not funded by appropriations. The \$161 million will be repaid to the various funds during FY 2002 when Congress authorizes appropriations for this purpose.

Annual Leave and Federal Employees' Compensation Act Liabilities: Liabilities under the Federal Employees' Compensation Act (FECA) are incurred as a result of workers' compensation benefits that have accrued to employees, but have not yet been paid by the USDA Forest Service. Workers' compensation benefits include the current and expected future liability for death, disability, medical, and other approved costs. The DOL actuarially determines the current and expected future liability for the USDA as a whole, including the USDA Forest Service. The USDA Forest Service is billed annually as its claims are paid by the DOL. Payment to the DOL is deferred for 2 years so that the bills may be funded through the budget process. Payments to the DOL are recognized as an expense in the Statement of Net Cost. The amounts of unpaid FECA billings constitute the accrued FECA payable.

Public Law 104-180, dated August 6, 1996, authorized USDA to provide voluntary separation incentive payments (VSIPs) to any employee to the extent necessary to eliminate positions and functions identified in the agency's strategic plan. The authority was effective until September 30, 2000. The USDA Forest Service did not request buyout authority from the Department for FY 2001. Therefore, no liability is recognized in FY 2001 for future VSIPs.

The total annual leave and components of accrued FECA payable as of September 30, 2001, are as follows:

(In Thousands)	
Not Covered By Budgetary Resources, Intragovernmental	
Current Liabilities for FECA	\$ 61,370
Not Covered By Budgetary Resources, Governmental	
Expected Future Liability for FECA	380,957
Annual Leave	163,343
Total	\$ 544,300

Liabilities for Environmental Cleanup Costs: Under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Clean Water Act (CWA), and the Resource Conservation and Recovery Act (RCRA), the USDA Forest Service anticipates cleaning up hazardous materials on USDA Forest Service lands. The USDA Forest Service estimates cleanup for sites on National Forest System lands to be \$2.5 billion. Of this amount, approximately \$1.8 billion relates to abandoned mine lands and \$200 million relates to landfills and miscellaneous sites. The remaining \$500 million is attributed to costs relating to RCRA.

These estimates are sensitive to changes in remedy standards and new technology. The site discovery and assessment process will continue for several more years. The actual number of sites discovered and cleanup costs will continually change as the process continues. This estimate also does not reflect anticipated cost recovery from or contribution to clean-up costs by responsible parties because the amounts are indeterminable. There is a reasonable possibility, however, that parties other than the USDA Forest Service will pay some of the clean-up costs.

Contingent Liabilities: A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity. The uncertainty should ultimately be resolved when one or more future events occur or fail to occur. The likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from probable to remote.

Treasury Judgment Fund: The USDA Forest Service pays small tort claims out of its own funds. Other legal actions exceeding \$2,500, however, fall under the Federal Tort Claims Act. These are paid from the Claims, Judgments, and Relief Acts Fund (Judgment Fund) maintained by the Department of Treasury. Absent a specific statutory requirement, the USDA Forest Service is not required to record a liability or reimburse the Judgment Fund for payments for tort claims made on its behalf. These payments, however, are recognized as an expense and an imputed financing source in the Statements of Net Cost and Changes in Net Position. Payments reported from torts and court of claims for FY 2001 amounted to \$3,443,278.

The Contract Disputes Resolution Act (CDRA) governs litigation arising from contract disputes (such as from timber sales contracts). Subsection 612(c) provides that CDRA payments made on behalf of Federal agencies by the Judgment Fund shall be reimbursed to the fund. Consequently, the debtor Federal agency is required to record a payable to the Judgment Fund. Those amounts remain a receivable on Financial Management Service's (Department of Treasury) books and a payable on the debtor agency's books until reimbursement to the fund is made by the agency. At September 30, 2001, the Department of Treasury indicated that the USDA Forest Service is liable for \$178.6 million.

Pending Litigation and Unasserted Claims: As of September 30, 2001, the USDA Forest Service has two legal actions pending, which management believes—based on information provided by legal counsel—may produce a probable adverse decision. The potential loss is estimated at \$38.4 million (\$28.4 million accrued in FY 2000). In light of the adverse decision, the USDA Forest Service will seek appellate action. This amount has been reported on the financial statements.

The USDA Forest Service has other pending legal actions for which the likelihood of adverse outcomes is reasonably possible. The potential loss is estimated at \$1.6 billion.

Note 12. Lease Liabilities

USDA Forest Service lease agreements as of September 30, 2001, are as follows:

A. USDA Forest Service as Lessee

Capital Leases: None exist.

Operating Leases: The USDA Forest Service leases buildings and office space as well as land. Facilities are leased for terms that range from 1 to 20 years. Land is leased for terms that extend from 1 to 99 years. Future payments due are as follows:

Fiscal Year	(In Thousands)
2002	\$ 77,275
2003	83,500
2004	84,300
2005	85,900
2006	88,400
2007 and Thereafter	1,975,000
Total Future Lease Payments	\$ 2,394,375

B. USDA Forest Service as Lessor

Capital Leases: None exist.

Operating Leases: None exist.

Note 13. Pensions, Other Retirement Benefits, and Other Post-employment Benefits

The USDA Forest Service is not responsible for administering pension, other retirement benefits, and other post-employment benefits. As such, this note is not applicable to the agency.

Note 14. Life Insurance Liabilities

The USDA Forest Service does not provide whole life insurance. As such, this note is not applicable to the agency.

Note 15. Unexpected Appropriations

The USDA Forest Service’s Net Position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations consist of appropriated spending authority that is unobligated and has not been withdrawn by the Department of Treasury, as well as obligations that have not been paid. Cumulative results of operations are the excess of financing sources over expenses for a budget account since its inception.

Unexpended Appropriations: Unexpended appropriations represent the amount of spending authorized as of year-end that is unliquidated or unobligated and has not lapsed, been rescinded, or been withdrawn. This amounted to approximately \$2.85 billion at the end of FY 2001.

(In Thousands)	
Unobligated:	
Available	\$ 850,764
Unavailable	492,064
Undelivered Orders	1,504,834
Total	\$ 2,847,662

Cumulative Results of Operations: Cumulative results of operations are the net results of operations since inception, plus the cumulative amount of prior period adjustments.

Note 16. Commitments and Contingencies

- A. Commitments
- B. Contingencies

Hazardous Waste Cleanup: See Note 11—Liabilities for Environmental Cleanup Costs.

Most legal actions that affect the USDA Forest Service and involve an amount in excess of \$2,500 fall under the Federal Tort Claims Act and are paid from the Claims and Judgments Fund maintained by the Department of Treasury. The USDA Forest Service is not required to reimburse this fund for payments made on its behalf. Pursuant to the guidance contained in SFFAS Number 5, the USDA Forest Service recognizes an expense and liability for all contingent liabilities determined to be probable. Those contingent liabilities that meet the requirements for disclosure, but not recognition, are disclosed below. Once the claim is settled or court judgment is assessed against the USDA Forest Service, and the Judgment Fund is determined to be the appropriate source for payment of claims, the USDA Forest Service records an imputed financing source. As of September 30, 2001, the USDA Forest Service has two legal actions pending, which management believes, based on information provided by legal counsel, may produce a probable adverse decision. The potential loss is estimated at \$38.4 million (\$28.4 million was accrued in FY 2000).

The USDA Forest Service has other pending legal actions for which the likelihood of adverse outcome is reasonably possible. The potential loss is estimated at \$1.6 billion.

**Note 17. Disclosures
Related to the
Statement of Net Cost**

The USDA Forest Service in the Natural Resources Environment mission area assesses fees for grazing, land uses, mineral leases, recreation use, recreation special uses, and sales of timber and timber byproducts. Most fees are based on full cost, except some land use fees that are established based on market value.

**Supporting Schedules for
the Statement of Net Cost**

The USDA Forest Service reflects costs through four primary responsibility segments: National Forests and Grasslands, State and Private Forestry, Forest Research, and the Working Capital Fund. Each segment is further broken down into various programs. By portraying costs and revenues in this manner, the USDA Forest Service is better able to identify where costs are spent and revenues are earned. Revenues are then used to offset costs.

The supporting schedules are presented on the following pages.

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
SUPPORTING SCHEDULE BY PROGRAM
NATIONAL FOREST AND GRASSLANDS RESPONSIBILITY SEGMENT
For the 12 Months Ended September 30, 2001
(Dollars In Thousands)**

	Recreation	Wildlife and Fish	Range	Forest Management	Soil, Water, and Air	Mineral	Land Ownership and Protection	Total
Program Costs								
Intragovernmental								
Production	\$ 40,059	\$ 12,195	\$ 4,079	\$ 251,187	\$ 13,886	\$ 7,429	\$ 5,323	\$ 334,158
With the Public								
Grants and Transfers Indemnities	305	26	26	1,907	113	101	732	3,210
Grants and Transfers Grants and Payments	643	366	39	4,533	275	41	1,720	7,617
Other Program Costs	293,755	106,548	38,151	970,601	147,141	41,160	933,130	2,530,486
Total Program Costs	334,762	119,135	42,295	1,228,228	161,415	48,731	940,905	2,875,471
Less: Earned Revenues	(41,201)	11	(5,749)	(891,829)	(938)	0	(7,751)	(947,457)
Excess Production Costs over Revenues	293,561	119,146	36,546	336,399	160,477	48,731	933,154	1,928,014
Non Production Costs								
Imputed Financing	0	0	0	27,310	0	0	0	27,310
Acquisition Cost of Stewardship Land	0	0	0	504	1,012	0	85,550	87,066
Net Program Cost	293,561	119,146	36,546	364,213	161,489	48,731	1,018,704	2,042,390
NET COST OF OPERATIONS	\$ 293,561	\$ 119,146	\$ 36,546	\$ 364,213	\$ 161,489	\$ 48,731	\$ 1,018,704	\$ 2,042,390

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
SUPPORTING SCHEDULE BY PROGRAM
STATE AND PRIVATE FORESTRY RESPONSIBILITY SEGMENT
For the 12 Months Ended September 30, 2001**

(Dollars In Thousands)

	<u>Forest Health Protection</u>	<u>Fire and Aviation Management</u>	<u>Cooperation Forestry Management</u>	<u>Total</u>
Program Costs				
Intragovernmental				
Production	\$ 11,423	\$ 122,476	\$ (2,261)	\$ 131,638
With the Public				
Grants and Transfers Indemnities	74	464		4,163
Grants and Transfers Grants and Payments	45,786	8,327	139,329	193,442
Other Program Costs	52,336	1,354,810	42,026	1,449,172
Total Program Costs	109,619	1,486,077	182,719	1,778,415
Less: Earned Revenues	(6,034)	(232,267)	(66)	(238,367)
Excess Production Costs Over Revenues	103,585	1,253,810	182,653	1,540,048
Non Production Costs				
Imputed Financing	0	0	0	0
Acquisition Cost of Stewardship Land	0	0	0	0
Net Program Cost	103,585	1,253,810	182,653	1,540,048
NET COST OF OPERATIONS	<u>\$ 103,585</u>	<u>\$ 1,253,810</u>	<u>\$ 182,653</u>	<u>\$ 1,540,048</u>

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
SUPPORTING SCHEDULE BY PROGRAM
FOREST RESEARCH RESPONSIBILITY SEGMENT
For the 12 Months Ended September 30, 2001
(Dollars In Thousands)**

	Forest Research
Program Costs	
Intragovernmental	
Production	\$ 7,464
With the Public	
Grants and Transfers Indemnities	62
Grants and Transfers Grants and Payments	4,478
Other Program Costs	232,369
Total Program Costs	244,373
Less: Earned Revenues	(43,617)
Excess Production Costs Over Revenues	200,756
Non Production Costs	
Imputed Financing	0
Acquisition Cost of Stewardship Land	0
Net Program Cost	200,756
NET COST OF OPERATIONS	\$ 200,756

**U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
SUPPORTING SCHEDULE BY PROGRAM
WORKING CAPITAL FUND RESPONSIBILITY SEGMENT
For the 12 Months Ended September 30, 2001
(Dollars In Thousands)**

	Working Capital Fund
Program Costs	
Intragovernmental	
Production	\$ 21,148
With the Public	
Grants and Transfers Indemnities	11
Grants and Transfers Grants and Payments	5
Other Program Costs	126,566
Total Program Costs	147,730
Less: Earned Revenues	(147,730)
Excess Production Costs Over Revenues	0
Non Production Costs	
Imputed Financing	0
Acquisition Cost of Stewardship Land	0
Net Program Cost	0
NET COST OF OPERATIONS	\$ 0

**Note 18. Disclosures
Related to the Statement
of Changes in Net
Position**

The USDA Forest Service has undertaken an aggressive agency-wide project to verify its PP&E, inventory balances, and asset valuation. As a result of this project, and so that the general ledger would be supported by subsidiary asset systems, adjustments were made to general PP&E and stewardship land.

Prior period adjustments for the fiscal year include the following:

Prior Period Adjustments	(In Thousands)
PP&E Ledger Adjustment	\$ 407
Payroll Correction	630,641
FECA-related Adjustments	25,460
Change in Fire Cache Capitalization Policy	(54,192)
Other	(194,675)
Total Prior Period Adjustments	\$ 407,641

**Note 19. Disclosures
Related to the Statement
of Budgetary Resources**

	(In Thousands)
Budgetary Resources Obligated for Undelivered Orders, End of Period	\$ 1,504,834
Available Borrowing and Contract Authority, End of Period	\$ 3,635

**Description of Terms of
Borrowing Authority Used**

USDA Forest Service has the following major permanent indefinite appropriations: Recreation Fee Collection Costs; Timber Roads—Purchase Election Program, Roads and Trails for States, Timber Salvage Sales, Brush Disposal, Licensee Programs; Smokey Bear/Woodsy Owl; Restoration and Improvements of Forest Lands; Operation and Maintenance of Quarters; Timber Sales Pipeline Restoration Fund; Recreation Fee Demonstration Program; Midewin National Tall Grass Prairie; Land Between the Lakes Management Fund; Payment to Minnesota; Payments to Counties—National Grasslands Fund; Payments to States—National Forest Fund; Payments to States—Northern Spotted Owl Guarantee; Knutson-Vandenburg; Cooperative Work; Land Between the Lakes; and Reforestation.

Monies received under the above appropriations are appropriated and made available until expended by the USDA Forest Service to fund the costs associated with their appropriate purpose. Federal law (16 U.S.C. Section 556d) provides that the USDA Forest Service may advance money from any USDA Forest Service appropriation to the firefighting appropriation for the purpose of fighting fires.

**Note 20. Disclosures
Related to the Statement
of Financing**

	(In Thousands)
A. Other Nonbudgetary Resources Used To Finance Operations	
1. Obligations Incurred	\$ 5,197,850
2. Spending Authority from Offsetting Collections	(698,218)
3. Donations Not in the Entity's Budget	4,450
4. Others	(1,278,973)
Total	\$ 3,225,109
B. Other Resources Used To Fund Items Not Part of the Net Cost of Operations	
1. Change in Amount of Goods/Services Ordered	\$ 80,524
2. Change in Unfilled Customers Orders	129,657
3. Costs Capitalized on Balance Sheet	(278,092)
4. Others	173,799
Total	\$ 105,888
C. Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period	
1. Depreciation and Amortization	\$ 377,612
2. Bad Debts Related to Uncollectible Credit Reform	49,067
3. Loss on Disposition of Assets	1,097
4. Other	(2,887)
Total	\$ 424,889

Note 21. Custodial Activity

The USDA Forest Service, as of September 30, 2001, collected the following funds, of which portions are due to the Department of Treasury. These amounts are included in Other Liabilities as custodial liability:

	(In Thousands)
A. Sources of Collections	
1. National Forest Receipts	\$ 145,336
2. National Grasslands Receipts	22,985
3. General Fund Miscellaneous Receipts	4,899
4. FNCS Accrual	
5. Other	1,889
Total Revenue Collected	175,109
B. Disposition of Collections	
1. Amount Transferred to Treasury	5,618
2. Amounts Retained by Agencies	9,942
3. Amounts Transferred for Payments to States	159,549
Total Disposition of Revenue	175,109
C. Less: Amounts Retained by the Agency	
D. Net Custodial Activity	\$ -

Special Fund Receipts: National Forest Fund Receipts represent revenue from the sale of timber and other forest products. Twenty-four percent of the counties elected to receive the traditional 25-percent payment, while 76 percent elected to receive a full payment under the new law, the Secure Rural Schools and Community Self –Determination Act of 2000. The USDA Forest Service disbursed payments to the States in December 2001. National Grassland Receipts represent revenue from the use of national grasslands. Twenty-five percent of these receipts are used to make payments to counties, on a calendar year basis, in accordance with 7 U.S.C. 1010-1012. After the payment is made, the remaining receipts are disbursed to the Department of Treasury.

**Appendix B—U.S. Department of Agriculture
Office of Inspector General Audit Report**



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL
Southeast Region - Audit
401 West Peachtree Street, Suite 2328
Atlanta, Georgia 30308
TEL: 404-730-3210 FAX: 404-730-3221



DATE: February 26, 2001

REPLY TO
ATTN OF: 08401-12-At

SUBJECT: Forest Service Fiscal Year 2001 Financial Statements Audit

TO: Dale Bosworth
Chief
Forest Service

ATTN: Mary Sally Matiellia
Chief Financial Officer
Forest Service

This report presents the results of our audit of the U.S. Forest Service's financial statements for the fiscal year ended September 30, 2001. The report contains our disclaimer of opinion and the results of our assessment of the Agency's internal control structure and compliance with laws and regulations.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the specific corrective actions taken or planned, including the timeframes on our recommendations. Please note that the regulation requires a management decision to be reached on all findings and recommendations within a maximum of six months from report issuance.

JOYCE N. FLEISCHMAN
Acting Inspector General



**U.S. Department of Agriculture
Office of Inspector General
Audit Report**

Forest Service
Audit of Fiscal Year 2001
Financial Statements



**Audit Report No.
08401-12-At
February 2002**

EXECUTIVE SUMMARY

FOREST SERVICE AUDIT OF FISCAL YEAR 2001 FINANCIAL STATEMENTS AUDIT REPORT NO. 08401-12-AT

PURPOSE

The Chief Financial Officers (CFO) Act of 1990, as amended, requires the annual preparation and audit of Federal financial statements. The purpose of this audit is to determine whether the financial statements present fairly, in all material respects, the financial position of the Forest Service in accordance with Generally Accepted Accounting Principles in the United States of America. In conjunction with the audit of financial statements, we are required to consider Forest Service's internal control structure to assess whether the Agency's plan of organization and adopted methods and procedures were sufficient to ensure that (1) reliable financial information was obtained, maintained and fairly disclosed in Forest Service's reports and (2) resources were sufficiently safeguarded against waste, loss and misuse. We are also required to test Forest Service's compliance with laws and regulations that could directly affect the financial statements.

RESULTS IN BRIEF

Due to limitations on the scope of our examination, we are unable to express, and do not express, an opinion on the Forest Service Consolidated Balance Sheet as of September 30, 2001, and the related Statements of Net Cost, Changes in Net Position, Budgetary Resources, and Financing for the period then ended.

United States (U.S.) Generally Accepted Government Auditing Standards (GAGAS) require that we obtain sufficient, competent evidential matter to render an opinion on the financial statements. The Forest Service was not able to provide us with such information. Therefore, we were not able to perform all procedures necessary to render an opinion within the timeframes prescribed by the CFO Act of 1990, as amended. As a result,

we are unable to give an opinion on the fiscal year (FY) 2001 Financial Statements of the Forest Service because of limitations on the scope of our work. Thus, the financial statements are unreliable.

Material internal control weaknesses existed in Forest Service's overall financial statement compilation process and in its procedures for compiling the balances for Fund Balances with the U.S. Treasury (FBWT) and General Property, Plant and Equipment (PP&E). Because of these weaknesses, the Agency was not able to provide timely, sufficient and competent evidential matter to support amounts in the financial statements. The material weaknesses in internal controls, along with the lack of sufficient, competent evidential matter to support amounts in the financial statements, prevented us from performing the audit in accordance with GAGAS and Office of Management and Budget (OMB) Bulletin No. 01-02, Audit Requirements for Federal Financial Statements.

Our examination of Forest Service's internal control structure disclosed that (1) overall financial management controls were not adequate to ensure the collection of timely, complete, and reliable financial information and (2) controls were not sufficient to adequately safeguard assets.

Forest Service had not performed sufficient analyses and reconciliations of its financial system to ensure the accuracy of amounts recorded in the general ledger and the subsidiary (detailed) ledgers prior to submitting the unaudited statements to the Office of Inspector General (OIG). Therefore, the unaudited financial statements provided to us on November 15, 2001, contained numerous errors and the accompanying footnotes were incomplete. Additionally, significant control weaknesses in the general ledger and the subsidiary systems significantly reduced the reliability of account balances reported on the financial statements.

While comparing a detailed trial balance with a summary level trial balance, we noted differences in 41 general ledger accounts that resulted in a net out-of-balance condition of \$6.5 million between budgetary and proprietary accounts. Forest Service officials explained that, while preparing the financial statements, they discovered that the budgetary accounts did not balance to the proprietary accounts. Rather than determining the reason for the differences, Forest Service made adjustments to the trial balance to bring the budgetary and proprietary accounts into balance. Subsequently, the Agency found that 75 general ledger posting entries, totaling almost \$941 million, were not included in the Foundation Financial Information System (FFIS) data warehouse until after the preparation of the financial statements. The missing transactions were the actual cause for budgetary and proprietary accounts not to balance.

As of the date of this report, we were unable to identify the specific cause for the entries not being posted timely.

At the end of the FY, Forest Service made 15,337 entries (debits and credits) totaling \$11 billion that affected FBWT, many of which were made to adjust the general ledger to the U.S. Treasury (Treasury) records. In contrast, the FBWT line item reported on the Consolidated Balance Sheet was \$3 billion. We judgmentally selected 144 adjustments comprising approximately \$7.9 billion of the \$11 billion in debits and credits, and found that 105 of the adjustments totaling \$4.7 billion were not sufficiently justified by the supporting documentation. Additionally, 29 adjustments, totaling \$2.9 billion, had no supporting documentation. The unsupported adjustments were made because Forest Service had not performed required monthly reconciliations of their fund balance accounts.

Forest Service did not have controls in place to ensure the accuracy of reports sent to the Treasury. Additionally, the Agency was not performing timely or complete reconciliations of FBWT as required by the Treasury Financial Manual (TFM).¹ As a result, there is an increased risk of fraud, waste and abuse related to Forest Service funds. As of September 30, 2001, the net out-of-balance condition between Treasury records and the Forest Service general ledger as reported on Treasury's Financial Management Service (FMS) report 6652, Statement of Differences, was approximately \$91 million for disbursements and \$152 million for deposits. Forest Service had not performed monthly reconciliations required by the TFM, and continued to work on the September 30, 2001, reconciliation after we were provided the unaudited financial statements on November 15, 2001.

Forest Service did not ensure that all collection and disbursement activity was accurately reported to Treasury during FY 2001. This occurred because Forest Service had not established procedures to routinely reconcile fund balance accounts in the general ledger with data downloaded into journals used to prepare the Standard Form (SF) 224 Report. As a result, Forest Service failed to report 139,697 collection and disbursement transactions totaling \$18.4 million to Treasury during FY 2001.

As reported in prior years' audits, controls over PP&E continued to be deficient. Despite representations from management that this account was auditable in fiscal year 2001, we found that, although a massive and costly contract to statistically sample property items was undertaken, the lack of adequate documentation supporting valuations was so pronounced the audit could not be conducted. Therefore, accurate and reliable balances could not be determined for the FY 2001 reporting period. This year's

¹ TFM Vol. 1, Part 2, Chapter 3900 - Section 3915, Chapter 5100, Section 5130, and Appendix 2.

audit revealed that the real property is overstated by at least \$570 million (capitalized value). Additionally, our analysis of the Infrastructure (INFRA) real property inventory universe provided on January 3, 2002, revealed 587 assets with negative book values of almost \$20 million. Forest Service units did not provide timely or adequate documentation to support amounts recorded in the property feeder systems including INFRA, Personal Property System (PROP) and Equipment Management Information System (EMIS), and the subsidiary ledgers were not providing timely or accurate depreciation expense calculations. Interfaces between the general ledger and the subsidiary systems were not working properly, and the Agency had not performed reconciliations to ensure the accuracy of amounts recorded in its financial systems.

Our examination of Forest Service's compliance with laws and regulations disclosed that the Agency's financial systems did not fully comply with the requirements of the Federal Financial Management Improvement Act (FFMIA) of 1996. Forest Service's financial systems did not (1) provide for the collection of timely, complete and reliable information; (2) provide for adequate Agency management reporting; (3) adequately support governmentwide or Agency-level policy decisions; (4) efficiently or effectively facilitate the preparation of financial statements, or other financial reports in accordance with Federal accounting and reporting standards; or (5) provide a complete audit trail to facilitate audits.

Management's Discussion and Analysis, requires supplementary information (including stewardship information), and other accompanying information, that contain a wide range of data, some of which does not directly relate to the financial statements. We do not express an opinion on this information. Based on our limited work, we found no material inconsistencies with the financial statements or nonconformance with OMB guidelines.

KEY RECOMMENDATIONS

Based on the deficiencies identified during this audit, we made a series of recommendations to Forest Service to improve its financial management system and internal control structure. Regarding its financial management system, we recommended that Forest Service (1) develop and implement a sustainable financial management plan that includes training, and (2) establish a reliable business process for preparing and validating the financial statements.

We recommended that Forest Service establish and implement internal controls to ensure that assets are adequately safeguarded by assigning sufficient, knowledgeable staff and performing required reconciliations and quality control checks.

AGENCY POSITION

Forest Service agreed with our findings and recommendations. On January 23, 2002, Forest Service initiated six strike teams with the objective of developing or modifying financial policies and procedures to achieve sustainable processes that address the following.

1. FBWT,
2. PP&E,
3. Accounts Receivable,
4. Accounts Payable,
5. Other Liabilities, and
6. the relationship between budgetary and proprietary accounts.

In addition to developing or modifying policies and procedures, each strike team is charged with reconciling subsidiary ledgers with the FFIS general ledger; cleaning up any erroneous historical data in the ledgers; identifying and correcting technical problems in Forest Service's automated accounting systems (e.g., FFIS, INFRA, PROP, EMIS, etc.); identifying and resolving technical problems with reporting software programs (i.e., Automated Cash Reconciliation Worksheet System (ACRWS)); and developing appropriate training material and training Forest Service personnel to carry out sustainable accounting processes.

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UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20250



REPORT OF THE OFFICE OF INSPECTOR GENERAL

TO: Dale Bosworth
Chief
Forest Service

We attempted to audit the accompanying Consolidated Balance Sheet of the Forest Service as of September 30, 2001, and the related Statements of Net Cost, Changes in Net Position, Budgetary Resources, and Financing, for the FY then ended. The financial statements are the responsibility of Forest Service management.

GAGAS require that we obtain sufficient, competent evidential matter to render an opinion on the financial statements. However, the Forest Service was unable to provide such information. Therefore, we were not able to perform all procedures necessary to render an opinion within the timeframes prescribed by the CFO Act of 1990, as amended. As a result, we are unable to render an opinion on the FY 2001 Financial Statements of the Forest Service because of limitations on the scope of our work. Thus, the financial statements are unreliable.

Because material control weaknesses existed in Forest Service's overall financial statement compilation process and its procedures for compiling the balances for FBWT and PP&E, the Agency was not able to provide timely, sufficient and competent evidential matter to support amounts in the financial statements. The material weaknesses in internal controls along with the lack of sufficient, competent evidential matter to support amounts in the financial statements prevented us from performing the audit in accordance with GAGAS and OMB Bulletin No. 01-02.

Forest Service had not performed sufficient analyses and reconciliations of its financial systems to ensure the accuracy of amounts recorded in the general ledger and the subsidiary (detailed) ledgers prior to submitting the unaudited statements to OIG. Therefore, the unaudited financial statements provided to us on November 15, 2001, contained numerous errors and the accompanying footnotes were incomplete. Many of the conditions observed during this year's audit were reported in our FY 2000 financial statement audit, and have yet to be adequately addressed by the Forest Service.

During our attempts to perform interim testing, we were not able to obtain reliable data extracts to test items such as revenue, accounts receivable, accounts payable and undelivered orders. Forest Service does not utilize FFIS to generate standard reports such as accounts receivable and accounts payable listings at the Agency-level as of a period of time. Because of the complexities of the system and Forest Service's business processes such as that used for cost distribution, Forest Service, the Office of Chief Financial Officer, and OIG spent much time and effort attempting to extract information from FFIS, resulting in delays in completing fieldwork at 41 selected Forest Service units. Since these delays made it impossible for us to complete interim testing before yearend testing started, we refocused our work on FBWT and PP&E because of their importance to the Department's consolidated statements. However, ultimately, Forest Service units were unable to provide timely, adequate documentation to support those amounts either.

Forest Service did not have controls in place to ensure the accuracy of reports sent to the Treasury. Additionally, the Agency was not performing timely or complete reconciliations of FBWT as required by the TFM. As a result, there is an increased risk of fraud, waste, and abuse related to Forest Service funds. As of September 30, 2001, the net out-of-balance condition between Treasury's records and the Forest Service general ledger, as reported on Treasury's Report FMS 6652, Statement of Differences, was approximately \$91 million for disbursements and \$152 million for deposits. Forest Service had not performed monthly reconciliations required by the TFM, and continued to work on the September 30, 2001 reconciliation after we were provided the unaudited financial statements on November 15, 2001.

As reported in prior years' audits, controls over PP&E continued to be deficient, and accurate and reliable balances could not be determined for the FY 2001 reporting period. Forest Service units did not provide a) timely or adequate documentation to support amounts recorded in the subsidiary ledgers, and property feeder systems, including INFRA, PROP and EMIS, or b) timely or accurate depreciation expense calculations. Interfaces between the general ledger and the subsidiary systems were not working properly, and the property subsidiary systems were not accurately computing depreciation expenses or accumulated depreciation.

Due to the extent of the limitations noted above, we were not able to satisfy ourselves as to the value of Forest Service's assets, liabilities and net position as of September 30, 2001, as well as its net costs, changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations for the FY then ended. Therefore, we are unable to express, and we do not express, an opinion on these financial statements.

This report is intended solely for the information and use of the management of Forest Service, OMB, and Congress and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Joyce N. Fleischman", with a long horizontal stroke extending to the right.

JOYCE N. FLEISCHMAN
Acting Inspector General

February 14, 2002



REPORT OF THE OFFICE OF INSPECTOR GENERAL ON INTERNAL CONTROL STRUCTURE

TO: Dale Bosworth
Chief
Forest Service

We attempted to audit the accompanying financial statements of the Forest Service, as of, and for the FY ended September 30, 2001, and have issued our report thereon, dated February 14, 2002. In planning and performing our audit, we considered Forest Service's internal control over financial reporting by obtaining an understanding of the Agency's internal control structure, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act (FMFIA) of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Agency's ability to record, process, summarize and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. However, we noted certain matters discussed in the following findings involving the internal control and its operation that we considered to be reportable conditions and material weaknesses.

FINDINGS AND RECOMMENDATIONS

CHAPTER 1	OVERALL FINANCIAL MANAGEMENT CONTROLS WERE NOT ADEQUATE TO ENSURE THE COLLECTION OF TIMELY, COMPLETE AND RELIABLE FINANCIAL INFORMATION
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FINDING NO. 1

Our review of Forest Service's FY 2001 financial statements disclosed that internal controls over the Agency's financial reporting process were not adequate to ensure the collection of timely, complete and reliable financial information. Specifically, we could place no reliance on the trial balances used to generate the financial statements because Forest Service failed to provide us with a single, approved, reliable trial balance taken directly from the FFIS general ledger to support the financial statements. This occurred because Forest Service management had not established a reliable and effective business process to prepare the financial statements. Further, we could place no reliance on data in the FFIS general ledger because Forest Service made 98,445 entries (debits and credits) to the general ledger totaling in excess of \$69.4 billion; many of which were unsupported, unapproved, or erroneous. Significant adjustments that were not part of a normal yearend closing were made in a very short period of time after the end of the FY to compensate for the lack of controls over financial reporting throughout the entire year. (See Finding Nos. 2 and 3.)

Unreliable Trial Balances

We could place no reliance on the trial balances used to generate the financial statements because Forest Service failed to provide us with a single, approved, reliable trial balance taken directly from the FFIS general ledger to support the financial statements. In fact, Forest Service provided us with multiple versions of its trial balance; none of which could be traced directly to the statements.

During our review of the unaudited financial statements, Forest Service provided us with seven different trial balances to support the statements. We could place no reliance on spreadsheets Forest Service purported to

represent its general ledger balance because the trial balances provided were not taken directly from the general ledger and the Agency made unsupported changes and inappropriate adjustments to "plug" the accounts into balance.

While comparing a detailed trial balance with a summary-level trial balance, we noted differences in 41 general ledger accounts that resulted in a net out-of-balance condition of \$6.5 million between budgetary and proprietary accounts. Forest Service officials explained that, while preparing the financial statements, they discovered that the budgetary accounts did not balance to the proprietary accounts. Rather than determining the reason for the differences, Forest Service made adjustments to the trial balance to bring the budgetary and proprietary accounts into balance. Subsequently, the Agency found that 75 general ledger posting entries, totaling almost \$941 million, were not included in the FFIS data warehouse until after the preparation of the financial statements. The missing transactions were the actual cause for budgetary and proprietary accounts not to balance. As of the date of this report, we were unable to identify the specific cause for the entries not being posted timely.

Unreliable General Ledger

We could place no reliance on data in the FFIS general ledger because Forest Service made 98,445 entries (debits and credits) to the general ledger totaling in excess of \$69.4 billion. Many of these significant adjustments were unsupported, unapproved, or erroneous, because they (1) were not part of a normal yearend closing and (2) were made shortly after the end of the FY to compensate for having no controls over financial reporting throughout the entire year.

- At the end of the FY, Forest Service made 15,337 entries (debits and credits) totaling \$11 billion that affected FBWT, most of which were made to adjust the general ledger to Treasury records. In contrast, the FBWT line item reported on the Consolidated Balance Sheet was \$3 billion. We judgmentally selected 144 adjustments comprising approximately \$7.9 billion of the \$11 billion in debits and credits, and found that 105 of the adjustments totaling \$4.7 billion were not sufficiently justified by the supporting documentation. Additionally, 29 adjustments, totaling \$2.9 billion, had no supporting documentation. The unsupported adjustments were made because Forest Service had not performed required monthly reconciliations of their fund balance accounts. (See Finding No. 2.)

- We concluded that the adjustments had caused material misstatements in some accounts. For example, Forest Service made three adjustments totaling approximately \$200 million to increase accounts receivable and decrease FBWT in order to "plug" the general ledger into agreement with Treasury records, rather than determine the reason for the differences. We concluded that the entries resulted in a \$200 million overstatement of Accounts Receivable because there was no evidence that any entity or entities owed Forest Service this amount. Supporting documentation disclosed that the adjustment would be reversed in FY 2002 and further researched. This condition was also reported in last year's audit when we identified a \$261 million overstatement in the Balance Sheet line item titled Cash and Other Monetary Assets caused by Forest Service's attempt to adjust FBWT to Treasury records without determining the reasons for the differences. Although Forest Service reversed the erroneous entry to Cash and Other Monetary Assets during FY 2000, the Agency never researched the differences during FY 2001.
- Forest Service did not ensure that large dollar adjustments were posted accurately to FFIS. For example, on August 29, 2001, Forest Service made two adjustments to balance the FFIS general ledger with the INFRA subledger as of September 30, 2000. Forest Service intended to decrease the total capitalized value in FFIS by almost \$1.4 billion and to decrease the accumulated depreciation by approximately \$1.3 billion. The purpose of these two adjustments was to force FFIS to match INFRA. However, the adjustments entered into FFIS were truncated and the capitalized value was only decreased by approximately \$14 million and the accumulated depreciation only decreased by approximately \$12.7 million. Forest Service did not become aware that the adjustments were posted incorrectly until December 18, 2001, after repeated requests from OIG that the FFIS general ledger be reconciled to the INFRA subledger.
- Forest Service overstated accounts receivable and earned revenue by approximately \$21.7 million by twice entering an adjustment to create an unbilled receivable for a reimbursable agreement.

Because of the deficiencies noted above, we could place no reliance on the Forest Service's general ledger and trial balance. Therefore, Forest Service should develop and implement a sustainable process to improve financial management that incorporates the following recommendations.

RECOMMENDATION NO. 1

Identify key financial and nonfinancial managers and staff, at both the Washington Office and field locations, whose support is critical to the success of financial management improvement and make them accountable for improving financial management.

RECOMMENDATION NO. 2

Provide training to change the Agency's culture in order to make financial management improvement an Agency-wide priority. Educate nonfinancial managers on how to use financial information to improve operational planning and decision-making.

RECOMMENDATION NO. 3

To establish a reliable and effective business process for preparing the financial statements, identify all major functions performed by the financial management team (e.g., FBWT, accounts receivable). For each major function, develop and implement written procedures to establish management controls and efficient business processes over all financial activities, including adjustments to the general ledger.

RECOMMENDATION NO. 4

Prepare financial statements from a single, official trial balance that has been verified for accuracy and approved by Forest Service management.

RECOMMENDATION NO. 5

Establish a procedure to validate that the general ledger is in balance for budgetary and proprietary accounts and includes all recorded transactions prior to preparing yearend financial statements.

RECOMMENDATION NO. 6

Ensure that all accounting adjustments are adequately supported and have been reviewed and approved by Forest Service management. Adjustments should be supported by documentation sufficient to enable auditors to independently verify that the transactions are proper.

RECOMMENDATION NO. 7

Ensure that all system deficiencies are documented, forwarded to the system owner and monitored for correction.

We found that controls were not sufficient to safeguard assets. Internal control improvements are needed for FBWT and PP&E to ensure that Forest Service assets are adequately safeguarded. Internal controls over the safeguarding of assets relates to the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements. Good internal controls are necessary to help prevent or detect material losses that could result from unauthorized acquisition, use, or disposition of assets.

Forest Service's Consolidated Balance Sheet, as of September 30, 2001, reported total assets of approximately \$8.48 billion. The total FBWT and PP&E comprise a combined total of \$7.95 billion or 94 percent of Forest Service total assets.

FINDING NO. 2

We have reported since 1992, and continue to report this year, that the Forest Service's FBWT accounts have not been properly reconciled with Treasury records. We attribute the FY 2001 deficiencies to Forest Service's failure to establish and/or follow adequate internal control and business processes, and not assigning sufficient, knowledgeable staff to this task. Forest Service's balance sheet, as of September 30, 2001, reported total FBWT of approximately \$3 billion; 35 percent of its total assets. We extended our review of FBWT until January 31, 2002, but as of that date, we were still unable to determine the correct FBWT amount.

The FBWT account is an asset account representing the future economic benefit of monies that can be spent for authorized purposes. Forest Service accumulates its fund balance from numerous disbursement and receipt transactions, which are recorded in its Standard General Ledger (SGL) and related sub accounts. Forest Service is required to report monthly its disbursement and receipt activities to Treasury on a SF 224, Statement of Transactions. Treasury then takes this report and compares the data against comparable data submitted by financial institutions and Treasury Regional Finance Centers, and notifies Forest Service of any differences on a Statement of Differences Report (FMS 6652). Forest Service is then required to investigate and reconcile these differences, and report any required adjustments. Additionally, Treasury reports to

Forest Service its month-end account balance on an Undisbursed Appropriation Account Ledger (FMS 6653). Forest Service must also reconcile its FBWT accounts to this closing balance. These reconciliations and verifications of financial information are critical internal controls that ensure the integrity of the Forest Service's accounting system. Although there are several reports and forms used by Forest Service and Treasury in the reconciliation process, the most critical are the SF 224 and the FMS 6652.

Prior to April 2000, Forest Service shared functions with the National Finance Center (NFC) for reconciling its FBWT. Since then, Forest Service has assumed sole responsibility for this function. However, when Forest Service assumed this responsibility, it did not establish and/or follow required processes and controls to ensure that the reconciliations were done timely and properly, and that reports to Treasury were accurate. This breakdown of management control is illustrated by the following examples.

- As of January 31, 2002, Forest Service had not resolved FY 2001 FBWT transaction differences of \$152 million in deposits and \$91 million in disbursements between its records and Treasury's records as reflected on the FMS 6652 report.
- Forest Service did not accurately report all activity on its SF 224 to Treasury because it did not routinely reconcile the SF 224 to its general ledger. Specifically, throughout FY 2001, it did not report a total of 139,697 collection and disbursement transactions on the SF 224's. These transactions totaled \$18.4 million.
- Forest Service did not reconcile differences of \$26.4 million between the FMS 6653, Appropriation Account Ledger, and its general ledger, and differences of \$82 million between the FMS 6655, Receipt Account Ledger, and its general ledger.

Differences on the FMS 6652 Report were not resolved.

Forest Service did not adequately resolve differences on the FMS 6652 report. Forest Service had not performed required monthly reconciliations during the FY and had not adequately investigated and cleared the differences as of the end of our fieldwork. Since assuming the responsibility for the reconciliations in April 2000, Forest Service had not assigned sufficient, knowledgeable staff to complete the reconciliations. Even

though we have reported the lack of adequate reconciliations as a material internal control deficiency for several years, Forest Service management failed to properly monitor the reconciliation process, underestimated the resources needed to accomplish this critical task, and did not ensure that appropriate corrective actions were taken throughout FY 2001.

A November 29, 2001, letter to Forest Service from Treasury Financial Management Service's Cash Analysis Branch expressed concern that Forest Service had not cleared unreconciled Statements of Differences for six or more months. The letter emphasized that

Timely reconciliation guards the Government's cash assets from waste, fraud and abuse. Timely reconciliation assures that your agency is properly managing the budget authority granted by Congress and reduces the Treasury's need to borrow from the public.

Treasury also offered to provide training or long-term on-site assistance to Forest Service in performing the reconciliations.

During FY 2000, the U.S. Department of Agriculture implemented a new reconciliation tool, ACRWS, to support the Department's cash reconciliation efforts. Detailed transactions from the FFIS general ledger and from Treasury's Government On-line Accounting Link System (GOALS) are loaded into ACRWS, and matched to produce listings of unmatched collection and disbursement transactions so that the Agency can more efficiently identify and research the reasons for the differences reported on the FMS 6652. Implementation issues involving the set up and use of ACRWS hampered Forest Service's reconciliation efforts. According to Agency officials, data downloaded to ACRWS during FY 2001 was not timely, accurate, and complete for the following reasons.

- For the first three months of the FY, Forest Service did not have security clearances to download data from GOALS. NFC had downloaded Treasury information from GOALS for Forest Service during those three months. However, the data files were overwritten before the information was loaded into ACRWS.
- Nightly download files from the general ledger were not always created.
- Transmission errors occurred while the data was being downloaded from the general ledger.
- Periodically, download routines would crash, and the database administrators would not always restart the downloads properly (i.e., steps in the download were skipped).

The lack of accurate and complete data in the ACRWS tool impeded Forest Service's ability to identify and timely correct differences between their records of collections and disbursements and Treasury records. If Forest Service had established quality assurance checks to reconcile data downloaded to ACRWS with fund balance accounts in the general ledger, the Agency would have discovered that all transactions had not been downloaded from FFIS to ACRWS.

All activity was not reported to Treasury on the SF 224

Forest Service did not ensure that all collection and disbursement activity was accurately reported to Treasury during FY 2001. This occurred because Forest Service had not established procedures to routinely reconcile fund balance accounts in the general ledger with data downloaded into journals used to prepare the SF 224 report. The downloads from the FFIS general ledger to the SF 224 journals are performed using the same software routine as downloads from the general ledger to ACRWS. Therefore, the same issues that caused inaccurate and incomplete downloads from the FFIS general ledger to ACRWS also caused the SF 224 reports to be inaccurate and incomplete. As a result, Forest Service failed to report 139,697 collection and disbursement transactions totaling \$18.4 million to Treasury during FY 2001. If reconciliations had been performed, Forest Service would have discovered the errors before reporting to Treasury.

Amounts on the FMS 6653 and FMS 6655 reports were not reconciled to the general ledger.

Forest Service did not reconcile differences of \$26.4 million between the FMS 6653, Appropriation Account Ledger, and its general ledger, and differences of \$82 million between the FMS 6655, Receipt Account Ledger, and its general ledger. These reconciliations are also required by Treasury, and serve important functions.

- Reconciliations between the FMS 6653 and the Agency's general ledger are important to help identify spending transactions originating from other agencies' that impact Forest Service's FBWT.
- Reconciliations between the FMS 6655 and the Agency's general ledger are important to help ensure that all of Forest Service's collections and deposits are properly recorded.

The lack of reconciliations between the Agency's general ledger and the FMS 6653 and FMS 6655 reports also hinders the Forest Service's ability to effectively monitor its budgetary resources and allocate the resources to program operations.

RECOMMENDATION NO. 8

Develop and implement written procedures for performing routine reconciliations as required by Treasury.

RECOMMENDATION NO. 9

Assign sufficient, knowledgeable staff to perform the reconciliations. Accept Treasury's offer to provide training and assistance with the FBWT reconciliation process.

RECOMMENDATION NO. 10

Establish quality control checks to ensure that all collection and disbursement transactions in the general ledger are reported to Treasury on the SF 224 reports and loaded to ACRWS.

FINDING NO. 3

As reported in prior years' audits, controls over general property, plant and equipment were deficient to the extent that accurate balances could not be determined. The control weakness continued for the FY 2001 reporting period. Forest Service units did not have adequate documentation to support amounts recorded in the property inventory feeder systems including INFRA, PROP, and EMIS, and the subsidiary ledgers were not providing timely or accurate depreciation expense calculations. Interfaces between the general ledger and the subsidiary systems were not working properly, and the Agency had not performed timely reconciliations between the general ledger and subsidiary systems to ensure the accuracy of amounts recorded on its financial statements. Even though much effort has been placed in attempting to improve the recording and reporting of property assets, we continue to find deficiencies in Forest Service's controls over recording and reporting asset values to the extent that we cannot opine on, but do question, the accuracy of the \$4.96 billion value reported on the September 30, 2001, balance sheet for general property, plant, and equipment.

As of September 30, 2001, Forest Service reported on its balance sheet general property, plant, and equipment values totaling \$4.96 billion or 58 percent of total assets. Of the \$4.96 billion, real property assets were valued at \$4.4 billion and personal property assets at \$553 million.

Real Property Assets

Forest Service accounts for real property as either individual items such as a single building or pools of like assets such as roads. Our review of the pooled and individual asset account balances as of September 30, 2001, disclosed (1) values for many assets were not properly supported, (2) material differences between values recorded in the general ledger and those recorded in the property inventory records were not reconciled and properly adjusted, (3) material negative book balances were not investigated to determine their causes and to correct the account balances, and (4) values for pre-1995 pooled assets were duplicated. Because of the deficiencies, we question the accuracy of the \$4.4 billion value for real property assets as reported on the September 30, 2001, balance sheet.

Pooled assets - During FY 2000, Forest Service, in cooperation with OIG, developed a methodology for valuing pre-FY 1995 road cost. Forest Service developed cost matrices to estimate road prism and surfacing costs. Our review of the FY 2000 financial statements found that the cost matrices were supportable and properly applied to roads constructed prior to FY 1995; therefore, the values recorded for pre-FY 1995 assets were reliable. However, this year's audit revealed that the pre-FY 1995-pooled assets were overstated by at least \$570 million (capitalized value). Forest Service's accounting practices provides for charging road costs to the road prism, road surfacing, or minor culverts accounts. Because minor culverts are considered part of road prism/surface cost, the accounting practice calls for closing out, at yearend, the minor culvert costs to one of the other two accounts as appropriate. Although the \$570 million was divided, as appropriate, and transferred to the other two accounts, Forest Service overlooked closing (zeroing) out that amount from the minor culverts account resulting in a duplication of capitalized costs and overstatement on the balance sheet.

In this year's audit, we found that the values for some roads constructed during and after FY 1995 were not adequately supported. At 35 Forest Service units visited, auditors judgmentally selected the year with the largest expenditures for road prism, road surfacing, and culverts. As of January 31, 2002, the units were not able to provide supporting documentation for almost \$6 million (15 percent) of the \$40.5 million in costs recorded for the selected years. For example, one National Forest

had erroneously capitalized \$1.6 million received in FY 1997 for repair and replacement of road culverts damaged during a flood. However, repairs were not made, and this money was not used, as of our fieldwork in September 2001.

Individual Real Property Assets - Our prior audits of Forest Service's financial statements dating back to FY 1992 have reported longstanding deficiencies in values recorded for individual real property assets. Such assets consist of Buildings, Administrative Sites, Recreation Sites, Improvements to Recreation Sites, Dams, and Utility Systems.

In FY 1996, Forest Service and OIG worked together to determine ways to value assets for which no documentation existed to support the costs. The assets may have been acquired decades ago and their cost either was never documented or documentation was not retained. A hierarchy was developed for property acquired prior to FY 1995 so that it could be valued utilizing acceptable information in prior Forest Service accounting records or utilizing valid appraisals or cost estimates. Actual documentation was required for assets acquired during or after FY 1995. However, our financial statement audits for FY's 1997 through 2000 disclosed that the Forest Service field units were not following the documentation requirements and that the Agency's records still contained significant errors and many values were not supported with sufficient documentation.

To evaluate the propriety of the reported property value as of September 30, 2001, we statistically sampled 400 individual real property assets recorded in the property inventory system. An additional sample of 187 assets was randomly selected during field visits to check back to the property inventory records to evaluate completeness of the records. Of the total 587 sampled assets, we questioned the values associated with 288. For example, the auditors sent 107 of the 288 questioned sample assets to independent appraisers for valuation because there was no documentation to support the values or the documentation provided obviously misstated the assets' values. Because of the extent of valuation errors, and lack of reliable information, we could not determine the effect on the balance sheet at the completion of fieldwork.

Our analysis of the INFRA real property inventory universe provided on January 3, 2002, revealed 587 assets with negative book values of almost \$20 million. Therefore, the total net book value of the real property assets was understated by \$20 million on the balance sheet. Forest Service had not performed analyses on the property records to determine the cause of the irregularities. Therefore, proper adjustments to the inventory account balances were never made.

We also found inaccurate reporting for Construction in Progress (CIP) of real property assets. Forest Service reported, as of September 30, 2001, \$47 million as CIP. Forest Service provided us a reconciliation showing \$23 million recorded in INFRA as CIP as of September 30, 2001. Our analysis of the INFRA data showed only \$15 million recorded in CIP. On February 6, 2002, Forest Service advised us that they were unable to provide a firm CIP value. The difference occurred because Forest Service units had improperly (1) established job codes to capture CIP costs, (2) included reconstruction of individual real property assets as CIP, (3) included pooled assets such as road costs as CIP, and (4) recorded CIP costs directly into an asset account even though the assets had not been placed into service. Also, a posting model error in FFIS resulted in some CIP transactions not being fed from FFIS into the INFRA subledger.

Personal Property Assets

Forest Service had not reconciled values in its personal property feeder systems with the FFIS general ledger and made necessary adjustments. When reconciliations were attempted in December 2001, the Agency found significant differences between the EMIS and PROP feeder systems and FFIS. These out-of-balance conditions were not fully reconciled and properly adjusted. Therefore, we question the accuracy of the \$553 million value for personal property reported on the September 30, 2001, balance sheet.

Personal property assets consisted of primarily vehicles and computer equipment. Forest Service records its personal property in one of two systems, PROP for General Fund property or EMIS for Working Capital Fund Property (e.g., vehicles, nursery assets, and computer systems). PROP and EMIS are subsystems of the Property Management Information System that integrates fiscal accounting with property accountability. PROP and EMIS were interfaced with FFIS during FY 2000, so that all Agency financial data would be reflected in one system.

After repeated requests from OIG for the PROP and EMIS reconciliations, Forest Service identified the following differences between the property systems and general ledger that had not been resolved and adjusted as necessary.

- EMIS had over \$57 million more in capitalized value and \$62 million more in accumulated depreciation than was recorded in FFIS.
- NFC reconciliations disclosed that there were other differences between PROP and FFIS. PROP showed \$4 million more

capitalized value than FFIS for equipment and \$10.3 million less in capitalized value than FFIS for software. The reconciling differences (absolute value of \$86 million) were due to (1) duplicate recording, (2) not recording assets in one of the systems, and (3) use of incorrect document types.

We also found that 30 aircraft acquired as Heritage Assets were improperly recorded in the general ledger at a capitalized value of approximately \$11.8 million, with a book value of approximately \$5.4 million. Values should not be recorded for Heritage Assets.

RECOMMENDATION NO. 11

Prior to preparing the balance sheet perform frequent analyses of property records to identify abnormal book balances and make necessary corrections.

RECOMMENDATION NO. 12

Reconcile differences between property inventory records and the general ledger routinely and make necessary fiscal adjustments.

RECOMMENDATION NO. 13

Update property procedures and the desk guide to include current standard accounting requirements and ensure staff is properly trained.

This report is intended solely for the information and use of the management of Forest Service, the OMB and Congress and is not intended to be and should not be used by anyone other than these specified parties.



JOYCE N. FLEISCHMAN
Acting Inspector General

February 14, 2002



REPORT OF THE OFFICE OF INSPECTOR GENERAL ON COMPLIANCE WITH LAWS AND REGULATIONS

TO: Dale Bosworth
Chief
Forest Service

We attempted to audit the accompanying financial statements of the Forest Service as of and for the FY ended September 30, 2001, and have issued our report thereon dated February 14, 2002.

The management of Forest Service is responsible for compliance with laws and regulations applicable to the Department. As part of obtaining reasonable assurance about whether the Principal Financial Statements are free of material misstatement, we performed tests of Forest Service's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial amounts and certain other laws and regulations specified in OMB Bulletin 01-02, including the requirements referred to in the FFMIA of 1996. We tested compliance with:

- Antideficiency Acts of 1906 and 1950;
- Budget and Accounting Procedures Act of 1950;
- Chief Financial Officers Act of 1990, as amended;
- Debt Collection Improvement Act (DCIA) of 1996;
- Federal Financial Management Improvement Act of 1996;
- FMFIA of 1982; and
- Government Performance and Results Act of 1993.

As part of the audit, we reviewed management's process for evaluating and reporting on internal control and accounting systems, as required by the FMFIA, and compared the Forest Service's most recent FMFIA report, with the evaluation we conducted of the Forest Service's internal control structure. Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

Under FFMIA, we are required to report whether the Forest Service's financial management systems substantially comply with (1) the Federal Financial Management System Requirements, (2) applicable accounting standards, and (3) the SGL at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA, Section 803(a).

The results of our tests disclosed instances, described in our "Findings and Recommendations" section, where the Forest Service's financial management systems, as a whole, did not substantially comply with two of the three requirements in the preceding paragraph. Our review did not disclose any material instances of noncompliance with the SGL at the transaction level.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in law or regulations that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements, or the sensitivity of the matter would cause it to be perceived as significant by others. The results of our tests of compliance with the laws and regulations described in the preceding paragraphs exclusive of FFMIA disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and OMB Bulletin 01-02. Material instances of noncompliance noted during our audit are presented in the "Findings and Recommendations" section of this report.

FINDINGS AND RECOMMENDATIONS

CHAPTER 3	FINANCIAL SYSTEMS DID NOT FULLY COMPLY WITH FFMIA REQUIREMENTS
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FINDING NO. 4

Forest Service's financial systems did not substantially comply with the FFMIA because they did not (1) provide for the collection of timely, complete, and reliable financial information; (2) provide for adequate Agency management reporting; (3) adequately support governmentwide or Agency-level policy decisions; (4) efficiently or effectively facilitate the preparation of financial statements, or other financial reports in accordance with Federal accounting and reporting standards; or (5) provide a complete audit trail to facilitate audits.

The FFMIA of 1996 was passed to improve Federal financial management by ensuring that financial management systems could provide reliable, consistent disclosure of financial data. FFMIA requires each Agency to implement and maintain systems that comply substantially with:

- Federal financial management system requirements,
- Applicable Federal accounting standards, and
- SGL at the transaction level.

FFMIA requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management system requirements. These requirements are detailed in the Financial Management Systems Requirements series issued by the Joint Financial Management Improvement Program and in OMB Circular A-127, Financial Management Systems, and OMB's Implementation Guidance for the FFMIA, issued September 9, 1997.

The financial management systems in the Federal Government must be designed to support the vision articulated by the Government's financial management community. This vision requires financial management systems to support the partnership between program and financial managers and to assure the integrity of information for decision-making and measuring of performance, including the ability to:

- Collect accurate, timely, complete, reliable, and consistent information;
- Provide for adequate Agency management reporting;
- Support governmentwide and Agency level policy decisions;
- Support the preparation and execution of Agency budgets;
- Facilitate the preparation of financial statements, and other financial reports in accordance with Federal accounting and reporting standards;
- Provide information to central agencies for budgeting, analysis, and governmentwide reporting, including consolidated financial statements; and
- Provide a complete audit trail to facilitate audits.

Collection of Timely, Complete, and Reliable Information

Because Forest Service management had not established a reliable and effective business process to prepare the financial statements, and because material unsupported, unapproved, or erroneous yearend adjustments were made to compensate for the lack of controls over financial reporting throughout the year, the Agency could not generate timely, complete, and reliable financial information. (See Finding No. 1.) As a result, the financial statements are unreliable.

Adequate Agency Management Reporting

Forest Service had not established procedures to facilitate adequate Agency management reporting. As a result, the Agency did not accurately report all disbursement and collection activity on the Treasury SF 224, Statement of Transactions, reports and did adequately resolve and report back on whether Treasury needed to make adjustments based on the FMS 6652, Statement of Differences. (See Finding No. 2.)

Additionally, the General Accounting Office (GAO), based on a request from a member of Congress, had prepared a response, dated September 21, 2001, stating that GAO was "precluded from making an accurate determination of the total federal costs associated with timber sales program for fiscal years 1998 and 1999", because of "serious accounting and financial reporting deficiencies" that existed at Forest Service during that period. The report pointed out that OIG had not been able to render

an opinion on the Agency's annual financial statements because its financial systems did not produce timely and reliable financial management information. As reported in Finding Nos. 1 through 3 of this report, those conditions still exist.

Support of Governmentwide or Agency-Level Policy Decisions

Forest Service was not performing timely or complete reconciliations of the differences on the FMS 6652 for FBWT as required by Treasury, As Treasury officials pointed out in a November 29, 2001, letter to Forest Service: "Timely reconciliation assures that your Agency is properly managing the budget authority granted by Congress and reduces the Treasury's need to borrow from the public." Additionally, the lack of reconciliations between the agency's general ledger and the FMS 6653 and FMS 6655 reports hinders the Forest Service's ability to effectively monitor its budgetary resources and allocate the resources to program operations. (See Finding No. 2.)

GAO's September 21, 2001, response regarding the timber sales program also pointed out that there is a need for an accurate accounting of timber costs to help ensure proper program management and accountability and to serve as a basis for estimating future costs when preparing budgets, and Forest Service had in the past produced the reports based on responses to the directions and expectations of certain committees in Congress.

Efficiently and Effectively Facilitate the Preparation of Financial Reports

Forest Service had not timely performed analyses and reconciliations necessary to ensure the accuracy of amounts recorded in the general ledger, recorded in subsidiary (detailed) ledgers, or amounts reported to the Treasury. We could place no reliance on the trial balances used to generate the financial statements because Forest Service was unable to provide us with a single, approved reliable trial balance taken directly from the FFIS general ledger to support the financial statements. Additionally, we could place no reliance on data in the FFIS general ledger because Forest Service made material unsupported, unapproved, and erroneous adjustments at yearend to compensate for the lack of controls over financial reporting throughout the entire year. (See Finding No. 1.)

Complete Audit Trail

Forest Service did not provide sufficient documentation to allow OIG to trace trial balance summary totals back to originating general ledger account balances.

All issues discussed in this finding have been discussed and related recommendations made, in our Report on Internal Control Structure.

This report is intended solely for the information and use of the management of Forest Service, the OMB and Congress and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Joyce N. Fleischman". The signature is written in a cursive style with a horizontal line extending to the right.

JOYCE N. FLEISCHMAN
Acting Inspector General

February 14, 2002

ABBREVIATIONS

A

ACRWS: Automated Cash Reconciliation Worksheet System _____ viii

C

CFO: Chief Financial Officers Act _____ iii

CIP: Construction in Progress _____ 17

E

EMIS: Equipment Management Information System _____ vi

F

FBWT: Fund Balance with the U.S. Treasury _____ iv

FFIS: Foundation Financial Information System _____ iv

FFMIA: Federal Financial Management Improvement Act _____ vi

FMFIA: Federal Managers Financial Integrity Act _____ 4

FMS: Financial Management Service _____ v

FY: Fiscal year _____ iv

G

GAGAS: Generally Accepted Government Auditing Standards _____ i

I

INFRA: Infrastructure _____ iii

O

OIG: Office of the Inspector General _____ vi

OMB: Office of Management and Budget _____ iv

P

PP&E: Property, Plant and Equipment _____ iv

PROP: Personal Property Management System _____ vi

S

SF: Standard Form _____ v

SGL: Standard General Ledger _____ 10

T

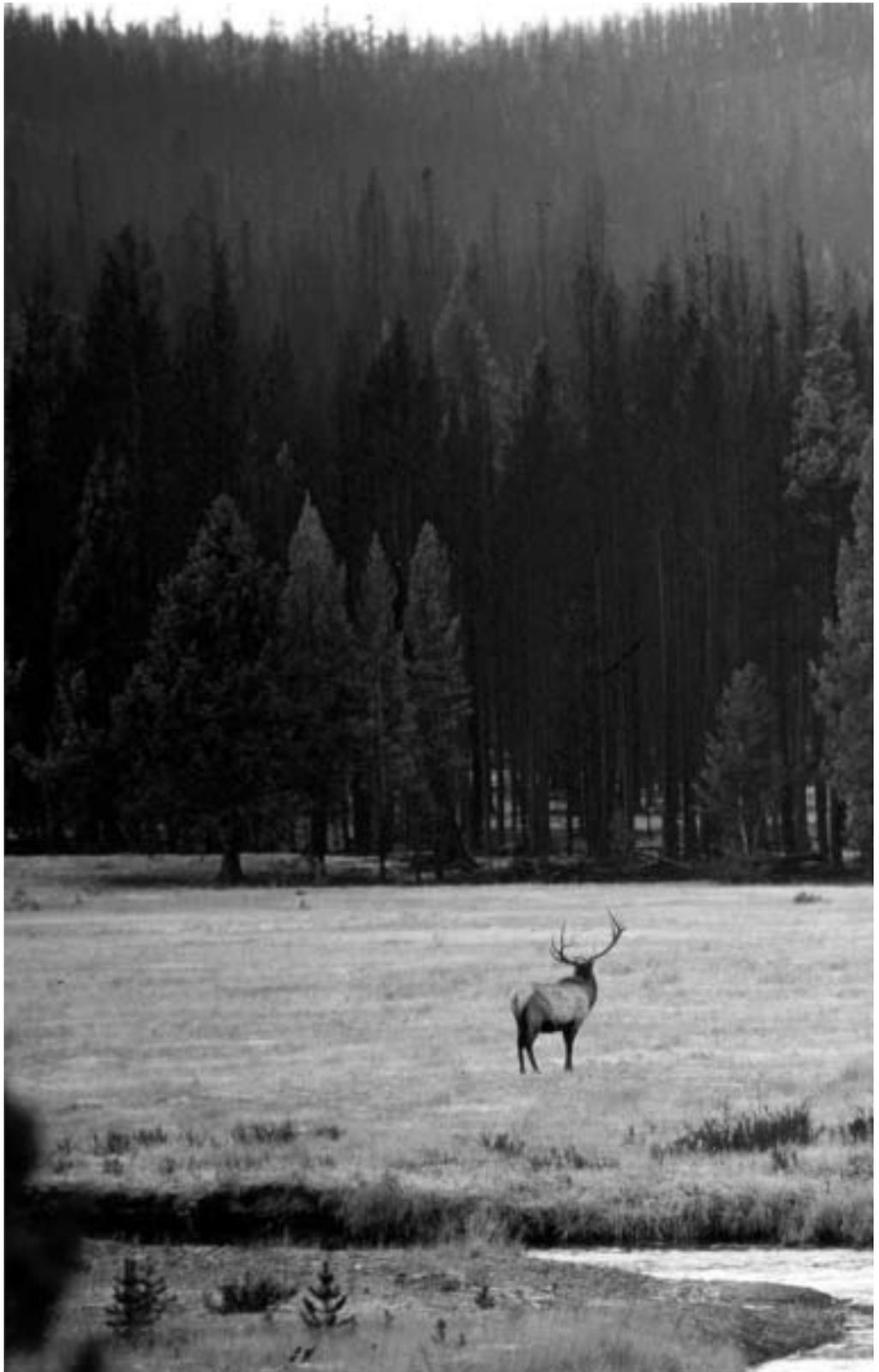
TFM: Treasury Financial Manual _____ v

Treasury: U.S. Treasury _____ v

U

U.S.: United States _____ iii

Appendix C—Performance Information



Performance Information

Introduction

The U.S. Department of Agriculture (USDA) Forest Service FY 2001 Revised Annual Performance Plan committed the agency to delivering a range of natural resource-based benefits for the American people based on the [1997 USDA Forest Service Strategic Plan](#) goals and objectives. The USDA Forest Service's 1997 strategic goals are:

Goal 1. Ensure sustainable ecosystems.

Goal 2. Provide multiple benefits for people within the capabilities of ecosystems.

Goal 3. Ensure organizational effectiveness.

For each strategic objective, agency leadership and program staffs developed annual performance goals to attain the long-term goal in the strategic plan. The performance data in this report is measured against the goals established in the Revised Annual Performance Plan for FY 2001.

The USDA Forest Service put a new system in place for field-based reporting starting with the FY 2001 end-of-year accomplishment reports. Individual forests enter data into spreadsheets and provide reasons if performance data is outside of a +/- 5 percent range of the targets. Individual forest data is consolidated into a national database for regional and national review, validation, and analysis. This system is intended to incorporate a USDA Office of Inspector General (OIG) recommendation (from report 08-001-0001-HQ June 2000) for implementing reasonableness checks into the reporting process.

In October 2000, the [USDA Forest Service Strategic Plan \(2000 Revision\)](#) was published and describes what the agency intends to accomplish during the next 5 to 10 years. The goals and objectives of this revised strategic plan will provide the basis for the FY 2002 Annual Performance Plan and subsequent reports. The FY 2002 performance management process begins to move the agency toward measuring outcomes (changed conditions) rather than outputs (work activities). In FY 2002, the focus items are (1) Public and Employee Safety, (2) Benefits to Communities, (3) Forest and Rangeland Health, (4) Recreation/Wilderness/Heritage Resources, and (5) the National Fire Plan (NFP).

The USDA Forest Service Strategic Plan, Annual Performance Plan, and budget each play an important role in performance management. The USDA Forest Service budget provides a framework for meeting the goals by describing the actual "on-the-ground" work that needs to be done. In FY 2001, the USDA Forest Service defined a set of corporate-wide activities that will better define on-the-ground work. The USDA Forest Service continues to work on improving the quality of the data that measures its work activities.

The following pages provide narratives of each annual performance goal for FY 2001.

FY 2001 Performance by Strategic Goals

Goal 1. Ensure sustainable ecosystems

Objective 1.1. Healthy, biologically diverse and resilient aquatic ecosystems restored and protected to maintain a variety of ecological conditions and benefits.

Annual Performance Goal 1.1.1. Improve and protect wetland, riparian, and aquatic functions, processes, and associated values by restoring impaired soil and water conditions and improving inland and anadromous fish habitat in unsatisfactory condition.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# acres of land treatments to protect and improve watershed conditions on NFS** lands	MAR*	35,562	29,899	23,946	31,863
# miles of roads decommissioned	RAR***	2,907	2,545	2,560	2,164

* Management Attainment Reporting
 ** National Forest System
 *** Roads Accomplishment Report

Overview

Many activities, including land treatments and road decommissioning, contribute to the improvement of watershed conditions and fisheries habitat. Protection and rehabilitation of the soil resource contribute to sustainable fish populations by reducing the amount of soil transported to lakes and streams. Returning unnecessary roads to forest through decommissioning also lessens adverse impacts to forest resources such as water quality and fish habitat.

FY 2001 Performance

The USDA Forest Service accomplished 133 percent of its land treatment goals and 85 percent of road decommissioning necessary for improving watershed conditions. The need to conduct a project-level roads analysis, allowing for a public review and comment period, and the publication of an environmental assessment prevented full accomplishment of the decommissioned roads target. Because of these requirements, some level of variance in the projection of targets will always be present.

The implementation of the [National Fire Plan \(NFP\)](#) is well under way. Many watershed restoration project plans were developed and will be out for public review. The [Burned Area Emergency Rehabilitation \(BAER\)](#) program plays a major role in emergency watershed stabilization where wildfires destroy ground cover and reduce the ability of the soil to absorb moisture. Many BAER projects were completed after the fires of 2000, especially in the Northern Rockies and in New Mexico.

Program Evaluations

The BAER review examined exigency stabilization efforts from the fires of 2000. The review team developed several findings. Concerns from the findings include (1) understanding the essential emergency and avoiding mission creep (solving problems that were there before the fire and the solution of which is not really the responsibility of the fire), (2) the shortage of local experienced BAER team leaders and personnel, (3) effectiveness of the Region 1 and Region 4 BAER Area Coordination Team, (4) coordination with fire management organizations and other agencies, (5) financial tracking, (6) BAER treatment effectiveness and predictions, and (7) personnel safety.

Conclusions and Challenges

The ability of the water supply system in the Western United States to meet the needs of a rapidly growing urban population is at risk. Future efforts at watershed restoration will need to incorporate innovative approaches and methods. As part of the community-based, [Large-Scale Watershed Restoration Program](#), 15 projects across the continental United States were developed. These multiyear projects were developed in collaboration with Federal, State, local, and tribal governments and nongovernment entities.

To successfully implement watershed improvement projects, resources are required to complete the basic soil survey inventory on some national forests, define landscape problems, and prioritize land management activities. Finally, the USDA Forest Service must develop and integrate effective actions that are responsive to a variety of independent acts and concerns. By focusing on management activities and investments, the USDA Forest Service will comply with the Endangered Species Act, Clean Water Act, NFP, and other legislative requirements.

Verification, Validation, and Limitations of Data Sources

The roads accomplishment data is the result of reporting actual work accomplished at the forest level. The data is collected at the forest level and aggregated first at the regional level and finally into a national accomplishment. At the forest level the data is collected by road program managers and verified by budget personnel. The forest data is reviewed at the regional and Washington levels for reasonableness. In addition, road monitoring activities are conducted on approximately 25 percent of the 382,000 miles of road in the National Forest System (NFS) each year. Limited budgets prevent additional monitoring.

Objective 1.2. Ecological integrity of forest and rangeland ecosystems restored or protected to maintain biological and physical components, functions and interrelationships, and the capability for self-renewal.

Annual Performance Goal 1.2.1. Restore forest land identified as needing restoration; use a variety of treatments to maintain, improve, and restore forest land to ensure ecological integrity; and aggressively treat noxious weed infestations that pose a threat to rangeland health.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Land restored by reforestation (acres) ¹	TRACS ² Silva	267,013	217,215 ³	185,002	195,593
Forest land maintained or enhanced by stand improvement (acres) ¹	TRACS Silva	262,786	223,634	205,721	283,855
NFS forest and grassland ecosystems protected and restored using timber sales (acres)	TRACS Silva	448,746	340,148	400,000	248,471
Treatment of harvest-related woody fuels—brush disposal (acres)	MAR	108,896	93,459	109,982	90,682
NFS forest and grassland ecosystems protected and restored using noxious weed treatments (acres)	MAR	87,000	121,946	85,000	143,938
NFS forest and grassland ecosystems protected and restored by treating rangelands (acres)	MAR	5,000,000	4,074,880	5,000,000	4,539,798
Hazardous fuels reduction (acres)	NFP Info	1,412,281	772,375	1,800,000	1,361,697
Percent of most efficient level (MEL) for firefighter production capability	NFMAS	69	74	100	97
Land ownership consolidated through acquisition and exchange to facilitate restoration and protection (acres)	MAR	488,835	214,740	129,686	164,035

¹ Accomplishments from all funding sources, including contributed funds.

² Timber Activity Control System

³ This corrects the accomplishment incorrectly reported in FY 2000.

Overview

Forest and grassland ecosystems on NFS lands are protected and restored through various land treatment efforts. Timber stand improvement and reforestation provide watershed improvement benefits by preventing unnecessary stream sedimentation, providing cover for wildlife, and improving the resilience of ecosystems. Timber stand improvements also benefit forest health by reducing stand density or eliminating unwanted vegetation, thereby allowing desired vegetation to grow more vigorously while reducing the potential for insect and disease outbreaks and high-intensity fire. Noxious weed treatment returns the vegetative community to a more natural state and restores land productivity by treating invasive weeds that threaten native plant communities. Prescribed fire and other fuel-reduction treatments enhance forest and range health by reducing the intensity of wildfires, protecting vulnerable wildland-urban interface areas, promoting forage production, and maintaining fire-dependent ecosystems. Finally, firefighting capability is necessary to ensure that fires are controlled for firefighter and public safety, for property and resource protection, and to minimize large wildland fire suppression costs.

Land ownership consolidation, through acquisition or exchange, enables the agency to better manage Federal lands within or adjacent to NFS boundaries and focus its efforts on improving the aquatic, forest, and rangeland ecosystems. The land acquisition program centers on acquisitions that will improve outdoor recreation, protect critical wildlife habitat, and preserve cultural resources. Many of the lands acquired are private inholdings within congressionally designated areas such as wilderness, wild and scenic river corridors, and national recreation areas.

Historically, timber sale receipts under the Knutson-Vandenburg (K-V) trust fund have, in part, supported reforestation and timber stand improvement activities. The K-V fund is used for reforesting timber sale areas to improve timber growth and product quality. K-V funding is declining, however, because of a reduction in timber sales. The challenge is to find other sources of funding so that these critical programs can be continued at the levels necessary to meet agency priorities for reforestation and timber stand improvements. In FY 2001, the USDA Forest Service successfully increased total reforestation and timber stand improvement accomplishments despite the decline in K-V funds. Protection and restoration of ecosystems are enhanced through noxious weed treatment, which returns the vegetative community to a more natural state and restores land productivity by treating invasive weeds that threaten native plant communities. Direction for implementing these activities and others is found in forest plans, project plans, and biological opinions.

FY 2001 Performance

Restoring forest land is accomplished through many activities. The following paragraphs describe specific actions taken to maintain, improve, and restore forest lands to ensure ecological integrity. When evaluated in the aggregate, the USDA Forest Service accomplished the annual goal set for FY 2001.

Nationally, the USDA Forest Service accomplished 106 percent of the goal for lands restored by reforestation. Favorable spring moisture conditions contributed to greater success throughout the West.

Timber stand improvement accomplishments were 127 percent of plan because additional funds from the NFP were available to do precommercial thinning and release work. In addition, the contributed funding component of the USDA Forest Service's service-wide total exceeds 42,000 acres—much higher than has historically been the case.

Brush disposal accomplishment was 82 percent of the target. Successful brush disposal accomplishment depends on several conditions so that burning can be conducted safely. For this reason, some level of unpredictability in setting targets is always present.

Noxious weed treatment activities accomplished 169 percent of the target in FY 2001. In addition, another 27,237 acres of treatment were accomplished with contributed funds. This reflects the priority that the national forests are putting on this very important program. The fires of FY 2000 created a situation that allowed for an increase in noxious weeds on Federal lands. More emphasis was placed on this program to alleviate problems that stemmed from the previous fire season.

The amount of rangelands restored and protected was 91 percent of the target in FY 2001. Rangeland treatments can be accomplished only after National Environmental Policy Act (NEPA) reviews are completed. Because of limited resources, implementation of NEPA-based decisions often cannot be made by the end of the fiscal year. With personnel assigned to other duties, implementation was less than originally planned.

The number of acres treated using timber sales declined because of lower market prices for logs on new sales and decisions in the marketplace to delay harvesting of sold timber until prices for logs increase. The FY 2001 target for acres treated using timber sales was based on historical accomplishments and trends rather than on an analysis of expected market conditions. External market factors cannot be reliably predicted; consequently, variability will always exist. Actual accomplishments were also different because this is a relatively new measure for which the agency has little experience in setting targets.

The hazardous fuels reduction accomplishment was below target, primarily because of increased treatment costs directly related to additional complexities and restrictions when treating hazardous fuels in the wildland-urban interface. Additional protective measures must be taken to ensure safe execution, quick mop-up, and extinguishment of prescribed burns. It is also important to apply the right intensity of fire, during the right season of the year, under the right weather and fuel conditions, to ensure achieving prescribed fire plan objectives. Burns were not conducted when all of these factors did not coincide.

The agency was able to implement firefighter production capability at 97 percent of its most efficient level (MEL). This accomplishment equates to an availability of 10,750 firefighters; 1,107 engines; 502 prevention units; 65 Type I Hot Shot crews; 39 air tankers; 98 helicopters; and 277 smokejumpers.

The agency accomplished 126 percent of its target for land ownership consolidated through land acquisition and exchange.

Program Evaluations

The Washington Office conducted a nursery program review in FY 2000. The main finding of this review was that anticipated USDA Forest Service reforestation needs for the next 3 to 5 years would be insufficient to provide for economically viable nursery operations. The review explored a number of management options to overcome this situation and a final action plan was approved in FY 2001. This plan outlines a variety of actions that will more fully use the capabilities of USDA Forest Service nurseries toward meeting the needs of its customers.

A national team conducted land ownership adjustment program oversight evaluations for all regions in FY 2001. Evaluations were completed to ensure that land exchanges are processed consistent with applicable laws, regulations, and policies. Evaluations were also conducted to ensure that regions demonstrate proper management of delegations and third party activities, and provide regional oversight for their land ownership adjustment program.

The Washington Office conducted a review of the noxious weed program within the Northern and Intermountain Regions of the USDA Forest Service. While the review found that partners at the Federal, State, and local levels are working collaboratively on cooperative weed management projects, it identified significant challenges to overcome. These challenges are discussed in the following paragraphs.

As a result of the severe fire season in FY 2000, the FY 2001 U.S. Department of the Interior (DOI) and related agencies appropriation increased the USDA Forest Service's funding to combat wildland fires, to hire additional firefighters, and to take proactive steps that reduce the risk of catastrophic damage. Oversight reviews have provided both on-the-ground accountability and a tool to make course corrections for the NFP in the future. The following bullet points provide a sampling of oversight mechanisms used to evaluate the implementation of the NFP.

- **National Fire Plan Overview.** An interdisciplinary USDA Forest Service team with DOI representatives made visits to all regions and many communities, counties, and States. The purpose was to offer a general oversight, assess the successes and failures, and identify compliance issues. The intention is to identify changes in national direction or policy needed to better implement the NFP.
- **Large Fire Cost Reviews.** The USDA Forest Service and DOI conducted large fire cost reviews in regions that experienced large fires to assess the effectiveness of fire suppression actions and cost efficiency.
- **Performance Measures.** Joint performance measures are currently being developed for the goals identified in the 10-Year Comprehensive Strategy.
- **Fire and Aviation Management (FAM) Activity Reviews.** These reviews were conducted in Regions 1, 5, and 10, and took a comprehensive look at regional FAM program management.

- National Academy of Public Administration (NAPA) Report. The report concentrates on the following six areas from the 2001 Review and Update of the 1995 Federal Wildland Fire Management Policy:
 - * Management accountability;
 - * Interagency coordination;
 - * Intergovernmental coordination;
 - * Risk management improvement;
 - * Workforce management; and
 - * Lessons learned institutionalization.

Conclusions and Challenges

Reforestation work arising from wildfires occurring during the summer of 2000 has created additional demands. A challenge the agency faces is in completing the required analysis and planning steps and consultation with other agencies in a timely manner to promptly reforest areas in need. Where it is necessary to remove dead and damaged timber, the timely removal of this material represents an additional challenge to achieving reforestation goals.

One of the primary challenges for the timber stand improvement (TSI) program is to secure a significant amount of additional funding to stabilize or reduce the growing number of acres in need of thinning or release treatments. At current rates of accomplishment, it will take more than 10 years to complete the current TSI needs; with each passing year, the need for TSI treatment continues to grow. At some point, all stands will progress to a condition in which the needed TSI treatments will no longer meet treatment objectives. When that happens, TSI treatments may no longer be effective and, because of insects, disease, wildfire, and other disturbance events, stands will become more susceptible to loss.

USDA Forest Service nursery production has been declining for several years because of reduced timber harvests, a shift in emphasis to intermediate treatments rather than regeneration harvests, and increased reliance on natural regeneration rather than planting to achieve reforestation objectives. In addition, more emphasis is being placed on the production of a more diverse mix of species to meet multiple project needs.

Findings and conclusions from the USDA Forest Service Washington Office review of the noxious weed program suggest available funding falls short of the needs to accomplish the job that exists in the field. In addition, the accounting and accomplishment reporting system at the national level may not be adequate to identify and track the agency's accomplishments under NFP funding. The review also found that forests have not received letters of concurrence to continue the use of herbicides for the treatment of noxious weeds from the National Marine Fisheries Service (NMFS). The review concluded that to win the "war" on noxious weeds, new, more effective biocontrol agents are needed.

A significant increase in noxious weeds occurred on areas burned in FY 2000; in general, treatments were undertaken with NFP funds.

The purpose of making land ownership changes is to facilitate management of the system or reduce administrative costs by obtaining an optimum pattern of land ownership and resources to meet the public's current and future needs. Over the next several years, key opportunities will come about to exchange or purchase lands from industry and other private landholders for NFS purposes. Many areas within or immediately adjacent to existing national forests contain important resources that, if acquired, will help the USDA Forest Service meet critical objectives related to public outdoor recreation opportunities, critical wildlife habitat, wilderness, or other congressionally designated areas, and improve management efficiency and decrease administrative costs associated with property management.

Verification, Validation, and Limitations of Data Sources

into the Silva database of the Timber Activity Control System (TRACS). This system is managed in conformance with the direction provided in the Timber Management Information System Handbook (FSH 2409.14), Chapter 60, Reforestation and Timber Stand Improvement. National reports are generated from this database.

Land ownership case information is entered on Land Exchange or Purchase Digest Sheets (forms FS-5400-10 or FS-5400-9) at the field level in conformance with direction provided in the Land Acquisition Handbook (FSH 5409.13). The acquired acreage reported on these digest sheets is then entered into the Management Attainment Reporting (MAR) system by each unit for national reporting.

Hazardous fuel treatment data are reported initially by national forests to regional offices where data is reviewed for accuracy and correlation with assigned targets. Upon review and verification, data is submitted to the Washington Office where further review and verification of regional data occur prior to compilation for national totals. For FY 2001, all data was compiled through the NFP reporting procedures.

Annual Performance Goal 1.2.2. The USDA Forest Service will encourage restoration efforts on non-industrial private forest (NIPF) lands through stewardship management plans, stewardship practices, and watershed restoration activities.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
NIPF lands under approved stewardship management plans (acres)	PMAS*	1,866,000	1,437,360	1,579,600	1,616,986
Legacy Project Acquisition (acres)	PMAS*	19,281	29,614	200,000	84,709
Forest health surveys and evaluations, Federal and cooperative lands (million acres)	FHP**	788	737	788	615

* Performance Measurement Accountability System

** Forest Health Protection

Overview

The 9.9 million NIPF landowners control 48 percent of the Nation’s forests, but less than 10 percent of them have written forest management plans. Stewardship management plans and multiresource practices on these non-Federal forest lands help enhance forest and rangeland health across the entire landscape.

Acquisitions under the [Forest Legacy Program](#) help protect environmentally important forests threatened by conversion to non-forest uses. Forest Legacy Program accomplishments are tracked by acres of land acquired through full fee or conservation easements resulting from real estate transactions that typically run 12 to 24 months from initiation to closing. Therefore, budget allocations in a fiscal year may not result in acres acquired in the same fiscal year. In addition, the voluntary nature of the program is an external factor that creates a wide margin of uncertainty in setting targets. If transactions are delayed or if they fail, fewer acres will be accomplished in that year.

Forest health surveys and evaluations generate important information on both Federal and cooperative lands. This information allows treatment priorities to be refined to address critical needs, such as reducing insect, disease, and invasive species threats. The biggest challenges facing the [Forest Health Protection \(FHP\) Program](#) are the identification and protection of acres at risk to insects, diseases, and exotic plants.

FY 2001 Performance

Forest stewardship plans prepared in FY 2001 covered 1,616,986 acres—102 percent of the acreage target—in 16,585 plans. This is a reversal of the recent downward trend in number of plans prepared, indicating that efforts to reach more landowners may be starting to be successful.

The Forest Legacy Program continues to meet its objectives. By purchasing conservation easements and fee simple titles from willing owners, the program fosters protection and better use of forested lands threatened with conversion to nonforest uses. It also results in new and enhanced partnerships with State agencies and nongovernmental organizations and provides them with the capacity to conserve important and sensitive forests.

The number of acres acquired under the Forest Legacy Program was below target because of an error in establishing the target figure. The target reported in the FY 2001 plan was erroneously set at the cumulative number of acres acquired up to and including FY 2001 (including prior year acquisitions) instead of expected acres to be acquired with FY 2001 appropriations. At the completion of FY 2001, the Forest Legacy Program has protected more than 207,000 acres, exceeding the cumulative target of 200,000. Future reports will reflect the best estimate of accomplishment in a given fiscal year. Cumulative totals will be reported in the narrative section to track overall progress of the program.

The FHP Program surveyed 78 percent of the targeted acres on Federal and cooperative lands. Resources for prevention and control of exotic invasive species were redirected to emergency invasive species and bark beetle suppression issues. In addition, fewer acres were surveyed because survey planes were used for firefighting, some flights were cancelled because of inclement weather, and flights were restricted after September 11, 2001, due to national security issues.

It is difficult to identify a single measure of "Forest Health Acres Protected" as a result of on-the-ground activities. We continue to develop a measure that adequately captures the outcomes these efforts are intended to achieve. Several examples that illustrate the benefits achieved from these activities are as follows:

- During 2001, the FHP Program reduced acres at risk from insects and diseases by protecting more than 1 million acres on Federal lands and 700,000 acres on cooperative lands.
- The gypsy moth Slow the Spread (STS) Program was implemented on more than 89 million acres in nine States.
- Pest management suppression funding was used to deal with outbreaks of invasive weeds in Hawaii, Idaho, and Montana; hemlock woolly adelgid infestations in the Northeast; and bark beetle infestations in the Rocky Mountain States. Funding was also used to conduct a risk assessment for and eradication of Sudden Oak Death disease in California.

The FHP Program also cooperated with the USDA's Animal and Plant Health Inspection Service (APHIS) on a pest risk assessment for eucalyptus logs and chips in Australia and on a successful pilot test for the early and rapid detection of exotic bark beetles near nine ports and for detecting nun moths near ports in Oregon and New Jersey.

The Forest Health Monitoring (FHM) component of FHP is the only program focused solely on monitoring forest health in the United States. The FHM program enables the early detection and evaluation of changes in health conditions, and their timely consideration in resource policy decisions. FHM is now operational on 72 percent of the plot component and 97 percent of the survey component in the 50 States. Reports produced by FHM include three national technical reports, three regional assessments, and many State reports. Funds from FHP were used for about 25 evaluation monitoring projects nationally, including evaluations of potential and emerging problems based on FHM detection monitoring data, and on fire-related forest health concerns based on a national competition. Urban forest health monitoring was pilot tested in three cities in three States.

Program Evaluations

No Forest Stewardship or Forest Legacy Program evaluations were undertaken at the national or regional level during FY 2001. Regional offices are on a regular schedule to evaluate all programs delivered by State forestry agencies; they conducted some reviews in FY 2001.

Conclusions and Challenges

A major challenge for the landowner assistance programs is to continue to provide high-quality assistance to NIPF landowners, while at the same time reaching far more landowners than have been reached in the past. NIPF lands provide more than 60 percent of the Nation's timber supply, yet are generally managed without the benefit of technical assistance and knowledge. Increasing pressure on these lands heightens our responsibility to ensure knowledgeable stewardship. Another challenge is to focus the scarce resources for this program on high-priority areas. The USDA Forest Service has been working with State forestry agencies to focus technical assistance on landowners with high-priority areas and will continue this trend in the future.

The growing Forest Legacy Program has expanding appeal to States, nongovernmental partners, and Congress. Increases in program funding to \$65 million for FY 2002 and the introduction of seven additional participating States bode well for future accomplishments. The uncertainty associated with real estate transactions and voluntary participation by private landowners, however, inherently makes target setting more art than science.

This year, overall, the FHP Program was highly successful in obtaining financial assistance to support Sudden Oak Death disease investigations in California, obtaining emergency suppression funding to contain bark beetles in the South and West, and implementing the STS Program. The FHM component has successfully moved to a new phase by targeting its efforts on evaluation monitoring in urban forests, and potential and emerging problems such as monitoring invasive weeds. The FHP Program also conducted a successful pilot test for detecting exotic insects near nine ports of entry to prevent the spread of exotics at U.S. borders.

Verification, Validation, and Limitations of Data Sources

Data for these indicators is collected yearly through the USDA Forest Service Performance Measurement Accountability System (PMAS). The data collection starts at the State forestry offices, is verified and validated at the USDA Forest Service regional offices, and then is summarized at the USDA Forest Service Washington Office. This process depends on the priorities of State forestry personnel, often superseded by State priorities such as wildfires.

The Forest Legacy Program has initiated a national database through the National Information Center in St. Paul, MN, associated with the Northeastern Area. This Web-based system provides the information technology to frequently update information and improve knowledge of project status. This enhanced data flow will increase the ability to estimate project completion dates and to form accurate target estimates in future years.

Objective 1.3. An increased amount of habitat capable of supporting viable populations of all native species and support desirable levels of selected species.

Annual Performance Goal 1.3.1. The USDA Forest Service will work with regulatory agencies and others to conserve species listed as threatened or endangered or identified as sensitive.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# miles of inland stream improved for fish habitat	MAR	1,164	883	1,492	1,090
# miles of anadromous stream improved for fish habitat	MAR	715	601	623	618
# miles of aquatic TES* species stream improved for fish habitat	MAR	315	203	240	485
# acres of inland lake habitat improved	MAR	11,362	11,321	9,361	12,526
# acres of anadromous lake habitat improved	MAR	4,939	6,748	5,729	4,406
# acres of aquatic TES species lake habitat improved	MAR	45	78	90	1,496
# acres of terrestrial wildlife habitat restored or enhanced	MAR	184,527	132,580	155,860	166,785
# acres of terrestrial TES species habitat restored or enhanced	MAR	82,247	59,793	90,690	74,338

* Threatened, endangered, and sensitive.

Overview

Stream and lake improvements are designed to restore and improve habitats for inland, anadromous, and threatened and endangered aquatic species. Examples of habitat improvements include (1) reducing sediment input and streambank erosion through structural and nonstructural in-stream, riparian, and upland treatments; (2) restoring riparian habitat functions for the natural recruitment of large wood; (3) creating pools within streams, providing hiding cover for fish; (4) accumulating spawning gravel; (5) removing or modifying human-made barriers to allow free movement of aquatic life throughout the stream; and (6) increasing lake fertility.

Terrestrial wildlife habitat restoration and enhancement efforts focus on a variety of species including threatened, endangered, and sensitive (TES), management indicator, and focal species. These programs help restore and improve habitats to maintain the diversity, viability, and productivity of wildlife and rare plant species, and thus provide for their use and enjoyment by current and future generations. Examples of habitat improvements include using prescribed fire; maintaining early successional habitats, such as savannahs and grasslands; regenerating aspen and oak; planting and seeding to improve forage conditions; developing water in arid lands; and reintroducing species.

Conservation and recovery of wildlife, fish, and TES species and their habitats continue to be major challenges, both on NFS lands and jointly through partnerships with other land managers. Challenges to achieving conservation and recovery objectives include identifying important habitats for non-TES species and applying the most effective activities to maintain, improve, or restore these habitats.

Wildlife, fish, and rare plant programs need to be better identified and objectives set in national forest land and resource management plans. A lack of focus and clarity can hinder the accomplishment of these programs.

Another challenge facing the USDA Forest Service is to recruit and train field biologists necessary for completing district, forest, and regional programs of work.

FY 2001 Performance

The national forests accomplished 93 percent of their targets in improving stream habitats, 121 percent of their goal in improving lake habitats, and 107 percent of their goal in improving terrestrial habitats.

Program Evaluations

An extensive review took place in Region 10 (Alaska) with fisheries partners (FISHNET). Several recommendations were developed to improve the fisheries program, including improvements for staffing levels, priority setting, monitoring, opportunities to better coordinate with recreation, accountability, subsistence management, and more. A followup review to measure progress is scheduled to occur within 2 years.

Conclusions and Challenges

The USDA Forest Service is challenged with providing more resources (funding and qualified personnel) to manage habitat to maintain viable populations and provide for diverse and sustainable wildlife, fish, and rare plant species. For example, NFS lands provide habitat for 415 listed species and 2,900 sensitive species. The USDA Forest Service must increase knowledge of management needs; develop or adopt conservation and recovery strategies and implement strategies to achieve recovery objectives; and meet appropriate statutory, regulatory, and policy requirements that apply. The agency will continue to work well with State, Federal, and nongovernmental partners, who are cornerstones of these programs.

Concern exists regarding agency performance in providing ecological conditions, habitats, and desirable trends for TES and non-TES terrestrial and aquatic species. If priorities for protecting, restoring, and maintaining important habitats are not accomplished, more population declines may occur, resulting in additional species becoming listed as threatened, endangered, or sensitive. The General Accounting Office (GAO) recently reported the need to address fish passage to ensure progress in aquatic species conservation and recovery.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Annual Performance Goal 1.3.2. Prepare conservation agreements or strategies to guide resource management efforts for a portion of the approximately 2,100 identified sensitive species.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# signed conservation agreements, strategies, and recovery plans	MAR	269	314	375	572

Overview

Conservation and recovery of TES animal and plant species and associated habitats is a basic and challenging management goal. More than 410 species listed as threatened or endangered depend on national forests and grasslands, and an additional 2,900 species have been designated by the USDA Forest Service as "sensitive" because of concerns for their viability. Recovery plans and species management strategies provide the direction for habitat protection, improvements, and mitigation measures essential to species recovery. Providing appropriate ecological conditions for these species is integral to meeting the agency's mission and legal requirements to provide for plant and animal community diversity, species viability, and species recovery.

FY 2001 Performance

The USDA Forest Service accomplished significant recovery and conservation results for 354 sensitive species and 218 threatened and endangered species. The total number of agreements, strategies, and recovery plans exceeded the target by 53 percent.

Program Evaluations

No program evaluations were conducted in FY 2001.

Conclusions and Challenges

A key milestone for the future is providing the ecological conditions needed by TES and other management indicator species or focal species on national forests and grasslands. In addition to developing and implementing recovery and conservation actions, the agency will track status and trends in population, habitats, and ecological conditions for selected species. During FY 2001, the USDA Forest Service continued this process on all national forests and grasslands. For each of these species, priority management actions are being identified, including management needs for essential habitats. Information management database modules are being developed to facilitate identification of priority management actions at bioregional, landscape, and project levels.

Verification, Validation, and Limitations of Data Sources

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Objective 1.4. Better ecosystem management decisions based on the best available scientific and management information.

Annual Performance Goal 1.4.1. Develop and provide to managers the scientific and technical information needed to manage and sustain the forests and rangelands of the Nation.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# research products, tools, and technologies transferred to users	RBAIS*	5,175	6,719	5,704	8,021

*Research Budget Attainment Information System

Overview

The mission of USDA Forest Service Research and Development (R&D) is to develop, demonstrate, and disseminate scientific information and technologies to protect, manage, and sustainably use those renewable resources in rural, suburban, and urban areas. The knowledge and research products provided by the agency’s R&D scientists contribute considerably to maintaining and improving the health and productivity of forest, rangeland, and aquatic ecosystems, as well as providing important information for USDA Forest Service policies and programs. With a wide-ranging and inclusive knowledge base, land managers are afforded improved management alternatives, the benefits of which extend across all 50 States and U.S. territories, covering both public and private lands.

FY 2001 Performance

USDA Forest Service R&D surpassed its performance target in FY 2001, producing 8,021 research products, tools, and technologies transferred to users. A simple tabulation of the numbers of research products, however, clearly is not sufficient to convey the breadth and depth of the agency’s R&D program. Several accomplishments are highlighted in the following paragraphs, while others are featured throughout this annual report to demonstrate how scientific knowledge and research products contribute to resource sustainability.

Progress is being made in enhancing the economic value of small and underutilized timber.

In the inland West, millions of acres of forest land are overstocked with small and underutilized material that historically has not been worth enough to cover the cost of its removal. The trees growing in these overstocked conditions, which are in part a result of past policies favoring immediate suppression of all wildfires, are now accentuating fire risk and are subject to insect and pathogen attacks. Scientists in USDA Forest Service R&D, working in cooperation with USDA Forest Service State and Private Forestry (S&PF), have been investigating ways to make treatment of small diameter and underutilized material economical. Because this material is so abundant, this research will benefit not only forest owners, but also many local resource-dependent communities.

Increasing atmospheric carbon dioxide may promote tree growth, but only temporarily. Agency scientists and cooperators showed forests growing under increased atmospheric carbon dioxide grow faster for only short periods in fertile soils; there is no increase where soils are infertile due to nutrient and water limitations. Results indicate active resource management, including fertilization, is necessary to continue benefits from increased carbon dioxide. Older models projecting plant use of atmospheric carbon as a partial solution to global warming must at least be reevaluated to incorporate the new information. Policymakers should not assume that plant growth constantly increases because of increasing carbon dioxide.

New tools and knowledge for risk assessment, detection, and management of nonnative invasive species. Two threats, the Asian longhorned beetle and Sudden Oak Death pathogen, have killed thousands of trees in the United States and are a major concern in Europe. These pests are subject to emergency eradication and regulatory action. Scientists studying Asian longhorned beetle movement successfully tested an acoustical detection device that finds and identifies the pests in trees before the infestation is otherwise evident. Tests of chemical and microbial agents show promise for controlling the pest. Assessment of risk from Sudden Oak Death disease has been a priority for national and international regulatory and management decisions. USDA Forest Service scientists and university cooperators determined that tree species common in eastern oak forests are susceptible to the disease organisms, a finding having far-reaching implications for trade and forest health.

Fire research is fundamental in a national initiative to aggressively prevent and suppress wildfires. More than 200 studies by USDA Forest Service scientists were begun in 41 States to address knowledge and technology gaps in fire management and restoration of burned lands. Early results from studies are being conveyed quickly and effectively to users; 76 percent of research findings in FY 2001 were provided to land managers in the form of bulletins, training, and consultations.

The estimated rate of carbon sequestration derived from land inventories is validated. The Forest Service Global Change Research Program analysis of Forest Inventory and Analysis (FIA) data, compared and reconciled with independent atmospheric measurements, revealed the causes of historic changes in carbon stored in forests throughout the Nation. This advance in carbon cycle science is relevant to national policy formation regarding management of greenhouse gases because of the significant role for forests in regulating atmospheric carbon dioxide concentrations.

New knowledge prevents the introduction, spread, and impact of invasive species. In FY 2001, research revealed the landscape level impacts of balsam woolly adelgid on plants other than its host in the Willamette Valley, the Puget Sound trough, and along coastal streams. Other monitoring tests were aimed at urban-based early detection of invasive pests escaping from ports into nearby forests, and rangeland protocols to monitor invasive plants associated with the degradation of natural areas. Special emphasis was placed on those species that increase disturbances such as wildland fires.

Findings on elk-cattle riparian interactions help guide forest planning. It was demonstrated that grazing by cattle and elk in streamside meadows could reduce riparian habitat critical for the survival of threatened and endangered fish and rare plants in the Southwest. These results were used by the Apache-Sitgreaves National Forest to modify guidelines for grazing permitted in the land management plan. The Arizona Game and Fish Department also used these findings to protect and restore important riparian habitat on department lands by changing the way elk populations are managed.

Improved approach helps in weighing the benefits and costs of urban forests. Scientists have developed and tested an improved method for evaluating the benefits and costs associated with urban forests. The method, besides providing baseline data that can be helpful for future management, enables city officials to make more informed decisions about appropriate levels of funding for urban forestry programs. Benefits recognized by the community include reduced energy consumption, enhanced air quality, and improved control of storm water runoff, carbon sequestration, climate modification, and aesthetics. Recognized costs include the expenses associated with planting, watering, trimming, cleaning up litter, repairing sidewalks and curbs, and removing trees and stumps.

The FIA Program conducts the Nation's forest census. FIA monitors the extent, condition, uses, impacts of management, and health of forests across all ownerships in the United States. The program's long-term monitoring effort maintains an ecological record of the Nation's forests, providing snapshots over time that show how forests are growing and changing. The agency exceeded its goal of having 65 percent of forest land covered by the Annual FIA and FHM programs. Twenty-eight States, comprising in excess of 65 percent of the national forest land area, were fully implemented in FY 2001 under the FIA Program. Annual survey results are available through the FIA National Presentation Database and National Data Distribution.

Program Evaluations

To ensure the relevance and quality of information, technologies, and products, USDA Forest Service R&D, with assistance from cooperating State and Federal agencies, universities, industries, private organizations and individuals, and other research users, reviewed the missions and charters of 20 percent of the research work units during the fiscal year.

In FY 2001, the Deputy Chief for USDA Forest Service R&D reestablished reviews of the research stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry and instituted a new streamlined process for the Deputy Chief's reviews. Five station reviews took place in FY 2001. Program and operation improvements will result from the reviews.

Conclusions and Challenges

Our Nation depends on public and private forests and rangelands to meet many needs. Productive forests and rangelands provide wood and forage, clean water, wildlife habitat, recreation, and many other values, and can be more effectively managed to reduce risks from fire and pests. Key to sustained and enhanced productivity is developing and deploying integrated resource management systems based on understanding natural and manipulated biological processes. As highlighted in the previous paragraphs, accelerated research and development by USDA Forest Service R&D scientists is helping to better manage, restore, conserve, and enhance the productivity of the Nation's public and private forests.

USDA Forest Service R&D judges its research and development performance considering three complementary criteria. The first is a managerial and oversight function, such as the Deputy Chief's reviews highlighted. The reviews focus on how well a station is conducting research and development in compliance with its mission, objectives, and contributions to the agency's mission, goals, and program.

The second criterion evaluates, through rigorous review, the scientific and technical quality of knowledge and products produced, as well as the agency's standing in the national and international research and development community. This function supports agency requests for funding by pointing to the high standards in disciplines that are relevant or critical to the agency and the country. The agency will continue to add to the knowledge base, including a scientific understanding of ecosystems and their use by humans, through a continued commitment to quality in USDA Forest Service R&D research activities, products, and technologies. Integral to the agency's success is peer review of experimental designs and analyses, and interpretation of the results. Adequate capital and human resources are needed to support decisionmaking and sustainable management of the Nation's forests and grasslands.

The third criterion examines USDA Forest Service R&D compliance with all Federal rules, regulations, legislation, and expectations. Compliance issues include the Government Performance and Results Act (GPRA), technology transfer and cooperation with industry and universities, project and information security and confidentiality, other regulations regarding human resources and the management of funds, and difficulties within the Federal structure. Due in part to instant communication of current events and the accessibility of substantial volumes of documentation via the Internet, the public expects quick and accurate responses to requests for information and assistance. The Government strives to meet these expectations; where products and technologies are already available, it is able to do so. For example, USDA Forest Service R&D has simplified the distribution of research publications to an ever-expanding audience via electronic media.

Verification, Validation, and Limitations of Data Sources

In the physical sciences, measurement is a relatively straightforward activity. Quantities such as length, temperature, and mass may be measured using single standard units; the adequacy of each measurement depends on the qualities of the instrument, but the standards are well defined and widely accepted.

In contrast, research and development are complex and unstructured processes with ‘unquantifiable’ dimensions and variables. The creative aspects of research and development make direct measurement impossible. The dilemma is balancing objectivity with the subjective selection and interpretation of measurement indicators, recognizing the cognitive and social structure of science. Three dimensions of research and development—concept generation, product development, and leadership—are distinct phenomena with unique characteristics within the innovative process of research. These dimensions are not amenable to forced correlations and patterns, which can result in comparing apples and oranges.

Alternatively, indicators may be used as surrogates to stand for certain aspects. The degree to which such indicators "measure" research and development performance depends on their accuracy and quantity, and on whether any one indicator may be aggregated with others for indexing. Empirically, this means one measure will be inherently insufficient to capture all the information required.

The current single measure of USDA Forest Service R&D performance—number of products—has a reasonably high bias for accuracy, precision, and repeatability. A more plausible approach would be to use a set of performance measures that can be linked to outcomes. A systematic design and understanding of the process by which USDA Forest Service R&D impacts agency performance, and to which the agency remains committed to working with users and the science community, will enable the USDA Forest Service to identify and define meaningful performance measures for the future.

Annual Performance Goal 1.4.2. Provide forest land inventory on a 10-year cycle. Conduct resource assessments at several scales on and affecting NFS lands to support formulation of policy and programs, and to support forest-level and project-level decisionmaking.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
% forest land covered by the annual FIA and FHM programs	FIA Annual Business Report	21	47.5	62	78
Million acres of above-project inventory completed	MAR	63.8*	58.7*	110.0*	124.0
Assessments completed	MAR	169*	130*	160*	154

*A change to how these measures are calculated occurred during FY 2001. The change corrects data provided in the FY 2000 Annual Performance Plan to reflect the new definition.

Overview

The [FIA Program](#), now in its 71st year of continuous operation, conducts the Nation's forest census. FIA monitors the extent, condition, uses, impacts of management, and health of forests across all ownerships in the United States. The program's long-term monitoring effort maintains an ecological record of the Nation's forests, providing snapshots over time that show how forests are growing and changing. The record reveals that—after aggressive clearing and cutting of the Nation's forests from settlement through the late 19th century—the total area of forest has recovered and stabilized.

The location, composition, and health of our forests are changing dramatically in response to current human and environmental impacts. Assuring sustainable management of forests requires consistent, comprehensive information on forest extent, condition, and trends across the landscape. To rapidly track forest information at the local level and incorporate that information into resource policy and management decisions, Federal, State, local, and private landowners need a complete inventory on a 5-year national cycle. As a result, the FIA Program is rapidly moving toward innovative, annual inventories.

The other two performance measures—integrated inventories and assessments completed—reflect work in the Inventory and Monitoring Program managed by the Ecosystem Management Coordination Staff. Integrated inventories meet multiple information needs for national forests and grasslands management.

Assessments also occur at multiple scales and provide information relevant to a broad range of resource management activities. Broad-scale assessments are used to evaluate ecosystem composition, structure, and processes and to evaluate indexes of ecological, social, and economic sustainability. Findings associated with assessments are used to identify topics of general interest or concern to be addressed in land and resource management plans.

FY 2001 Performance

The USDA Forest Service exceeded its goal of having 62 percent of forest land covered by the annual FIA and FHM Programs. Seventy-eight percent of the Nation's forest land area was fully covered in FY 2001 under the FIA Program. Annual survey results are available through the development of the FIA National Presentation Database and National Data Distribution.

The USDA Forest Service accomplished 113 percent of its target for above-project inventories and 96 percent of its goal for number of assessments completed. Broad-scale assessments are generally conducted for specific purposes on a forest within a defined multiforest area. Because the purposes and sizes vary considerably, flexibility is necessary for planning, developing, implementing, and reporting on the results of these assessments. Each successive broad-scale assessment benefits from lessons learned from previous efforts. The Southern Appalachian Assessment was recently completed in 2 years at relatively low cost, and the results have been shared by a number of Federal and State agencies and have proven invaluable in support of land and resource management planning for the region.

Program Evaluations

The FIA Program conducted continuous program evaluations through annual FIA User Group meetings at the regional and national level, as well as through presentations and participation in national professional meetings. The production of the annual business report that documents program finances, staffing, outputs, and outcomes is also used in program evaluation. In FY 2001, the program implemented an online customer survey mechanism to help guide continuous improvement in program delivery.

Conclusions and Challenges

The FIA Program has completed 3 years of a 5-year transition plan and is on track for full program implementation as planned by FY 2003. The growing challenge facing the program is to ensure that agency budget requests incorporate the funding needed to fully implement the FIA Program. These funding needs are documented in the February 2000 Memorandum of Understanding signed between the USDA Forest Service and National Association of State Foresters. To achieve further progress, the program will develop protocols for implementation of the Inventory and Monitoring Framework by September 30, 2002. Additionally, the complete annualized inventory will be initiated in all 50 States by September 2003, with State analytical reports produced not more than 5 years after a State has implemented the methodology, and every 5 years thereafter.

In FY 2002, the agency will revise the definitions of its inventory indicators, prepare inventory and monitoring program plans and schedules, and develop and test protocols and accomplishment tracking tools.

Verification, Validation, and Limitations of Data Sources

The FIA Program includes as part of its normal operations an extensive quality assurance and quality control (QA/QC) program to ensure that data is collected, analyzed, and reported in a scientifically rigorous fashion. Details about the FIA QA/QC program are available on the FIA Program Web site at <http://fia.fs.fed.us>. Statistical reports include analyses of QA data. Program oversight is accomplished through peer review; technical assistance visits, including research managers and users; and publication of an annual FIA business report.

The method for calculating the performance measure “million acres of above-project inventory completed” was changed to better reflect the MAR data collected at the field level. This measure represents all above-project inventories related to acres inventoried. Also, the measure “assessments completed” now represents only landscape/watershed scale assessments.

Objective 1.5. Provide multiple benefits for people within the capabilities of ecosystems.

Annual Performance Goal 1.5.1. Ensure that congressionally designated wilderness areas and their associated ecosystems are influenced by natural processes and protected from human-caused degradation.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# acres of Class I wilderness monitored for physical and social conditions	MAR	31,300	*	31,450	*

* A definition problem was discovered in FY 2000. The clarifying guidance was not in place for a sufficient amount of time to correct the data discrepancy for FY 2001 reporting purposes.

Overview

The USDA Forest Service monitoring of wilderness physical and social conditions includes soil and water chemistry, lichens, ozone damage, social surveys, wilderness use, and visibility effects caused by air pollution. Several definitions of performance measures to account for some or all of these disparate types of monitoring have been tried, but the results have not provided an accurate description of the agency's efforts. The agency will continue to refine the definition so that its accomplishments are accurately reflected in the performance measure. The visibility program does have a measure that represents a consistent subset of wilderness monitoring and has been described below.

FY 2001 Performance

In FY 2001, the USDA Forest Service implemented the national network called Interagency Monitoring of Protected Visual Environments ([IMPROVE](#)). This network was funded by various Federal, State, and tribal agencies. The program defines regional haze in all mandatory class I areas across the country. Long-term trends are available for many sites.

The USDA Forest Service, National Park Service, and U.S. Fish and Wildlife Service published the [Federal Land Managers' Air Quality Related Values Group](#) Report. Based on 2 years of joint effort, this report sets out common approaches to visibility, ozone, and acid deposition for the agencies. It enumerates key monitoring sites, data analysis expectations, and contacts for air pollution sources planning to build large, new facilities.

The USDA Forest Service has been at the formation meetings of the regional planning organizations. These groups, composed of the environmental commissioners or governors' representatives from multiple States and tribes, are charged with developing strategies to improve visibility and regional haze in Class I areas. This may be the single most important and integrated approach to improving the air across the country. Only one group was active in FY 1999; in FY 2001, the creation, staffing, by-law acceptance, and committee chartering was completed for three others, and the first steps were taken for the fifth one.

Program Evaluations

No program evaluations were conducted in FY 2001. In May 2001, the USDA Forest Service reviewed the number of permit reviews with all regions. The agency evaluated the new activity code for air quality in the budget to see if regions had requested sufficient money. Their constraint was too limiting to allow such a change in this program. We looked at a "swat" team approach to address the very technical issues, but it is currently not possible with the resource constraints in the Washington Office.

Conclusions and Challenges

In the 1990's, Congress frequently asked what percentage of the Class I wilderness areas was being monitored. Except for one site in New Mexico, collaboration with other agencies has allowed the USDA Forest Service to achieve almost 100 percent coverage for visibility. The regional haze rule has as its goal the improvement of visibility on the 20-percent dirtiest days and the prevention of impairment on the 20-percent cleanest days. Sufficient data now exists at many sites to look at a 10-year trend in these two outcomes. The first analysis done by the USDA Forest Service shows improving trends on 75 percent of the sites that have the requisite data records.

The USDA Forest Service has also looked at trends for another national data set—the National Acid Deposition Protocol network—operated by a multiagency partnership. The trends for nitrate and sulfate deposition across the country also show some improvement from the major air pollution efforts, especially the Clean Air Act amendments of 1990. All USDA Forest Service Class I wilderness areas in the East showed improvements over the last 10 years. The improvements are just the beginning in the East.

The regional haze rule recognized that transport of air pollution across State lines and the interaction of different chemicals under different conditions require a more integrated look at the pollution controls necessary to address regional haze. The [Grand Canyon Visibility Transport Commission](#), followed by the [Western Regional Air Partnership](#), has worked out many of the integrated solutions that are needed in the West. In the East, four similar groups have been formed to do the same consideration, analysis, and pollution control strategy development to address a much more complex (and dirtier) problem.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Goal 2. Provide multiple benefits for people within the capabilities of ecosystems.

Objective 2.1. Quality recreation experiences with minimal impacts to ecosystem stability and condition.

Annual Performance Goal 2.1.1. Offer outstanding opportunities for solitude and primitive or unconfined outdoor recreation.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# annual education contacts	MAR	551,000	568,658	555,000	411,589

Overview

The USDA Forest Service manages 63 percent of the wilderness system in the lower 48 States, and a much larger percentage of backcountry experiences. Providing high-quality, undeveloped outdoor recreation opportunities depends upon a number of factors that must all come together at the national forest and ranger district level. Factors that contribute to the quality of the recreation experience include improved education and outreach on land stewardship, land ethics, and responsible recreation.



FY 2001 Performance

The USDA Forest Service accomplished 74 percent of the targeted annual education contacts. While rangers are the primary point of contact for wilderness visitors, the international “Leave No Trace” program is also used to educate visitors about minimum impact camping and other stewardship messages. This effective tool reaches the public in a wide variety of settings.

Wilderness rangers and other USDA Forest Service employees provided “[Leave No Trace](#)” messages to visitors in the field and at public gatherings, such as fairs and special events. With limited wilderness funds, managers continue to emphasize partnerships with like-minded organizations for high-quality contacts with the recreating public.

Program Evaluations

On-site, general recreation program evaluations were conducted in Region 8 and Region 9. No specific recommendations or findings were identified.

Conclusions and Challenges

People are visiting the forests and grasslands in record numbers. Our challenge is to meet the soaring demand for nature’s amenities while safeguarding the health of the lands. Education efforts must involve more partnerships to reach the growing number of users seeking opportunities for solitude. The USDA Forest Service will continue to refine the measures and performance goals to accurately monitor the efforts to educate visitors and gauge their satisfaction and preferences.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests’ spreadsheets are loaded into an ESSBase database, where the forests’ accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing “reasonableness” checks in the reporting process.

Annual Performance Goal 2.1.2. Provide additional recreation opportunities, including special uses such as outfitter, guide, and concessionaire operations.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# permits administered for recreation special uses	MAR	23,792	24,541	23,700	26,178

Overview

To increase its capacity to deliver high-quality, safe, and responsible recreation programs, the USDA Forest Service relies on cooperators in the private sector. The private sector provides recreation opportunities, authorized and administered by USDA Forest Service recreation specialists, under recreation special use permits. Examples include organized horseback rides, mountain bike races, boat rentals, guided backpacking trips, overnight camping, and alpine snow skiing. Because recreation special use permits result in increased recreation opportunities, the number of such permits is tracked annually. While the number of permits is indicative of the number of opportunities available to the public, it is also indicative of the level of resources required to offer such a program.

FY 2001 Performance

The special uses program administered more than 26,000 permits, exceeding the goal by 10 percent. This increase from the target reflects the implementation of a Special Uses Data System. As old data is reconciled and transferred, the new system will provide information for program administration that will have a higher level of confidence. The agency released the draft cost recovery regulation, conducted numerous training programs around the NFS to improve permit administrator competencies, and began a relationship with the Small Business Development Center to create a program to educate agency administrators and permittees on the usefulness of business plans. More than 300 employees and small business prospectors have been trained.

Program Evaluations

New performance measures that establish standards for administering permits have been developed and baseline data for implementing them has been established. Future performance measures will include the performance goal and measure “managing special use permits to meaningful measures standards”—standards that are accepted and in place throughout the regions. The agency also continues to implement recommendations made by the Special Uses Reengineering Team. Recommendations focused on streamlining administrative systems and improving permit administrator competencies with the overall goal of improving services to customers.

Conclusions and Challenges

Overall, the Special Uses Program continues to suffer from lack of trained personnel, which not only affects the quality of on-the-ground permit administration, but also stifles needed policy changes. Permit administrators continue to be asked to perform jobs not related to permit administration. A continued downward trend in resources, along with a focus on increasing involvement of the private sector in supplying recreation services, will lead to increasingly poor customer service. The agency recognizes the need to develop additional human and financial resources for special use administration.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Annual Performance Goal 2.1.3. Identify sites for future scientific evaluation, protection, and interpretation efforts, and maintain visitor satisfaction through awareness and participation in heritage site inventory, site evaluation, restoration, and protection from vandalism.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# heritage sites preserved/protected	MAR	4,345	4,430	3,096	4,808
# heritage sites interpreted	MAR	593	674	421	601

Overview

Heritage resources provide numerous benefits to the American people, including key connections to the Nation's historic and prehistoric past. Heritage resources cover a broad spectrum, including the physical remains of prehistoric and historic cultures, locations of cultural or religious significance, written records, and oral histories. Interest in heritage tourism is increasing and is being accommodated through increased protection, interpretation, and hands-on opportunities to experience cultural resources on NFS lands.

FY 2001 Performance

While the number of heritage sites preserved/protected in FY 2001 exceeded the target by 55 percent, this number is down from the high of 6,795 sites in 1998. The decline in the number of sites preserved/protected is partly the result of a flat program budget over the last several years. The western fire situation in FY 2000 and 2001 also played a role in reducing the number of sites protected because of heritage personnel shifted to duties on fire details.

The number of sites interpreted is steady, due in part to public demand for heritage information. In many cases, partnerships contribute heavily to increased evaluation and interpretation of sites. Partnerships provide us with expanded abilities to accomplish our performance targets. The use of volunteers and partnerships has provided the USDA Forest Service with the means to keep at, or near, performance target levels. In some regions, members of the public who volunteer as site stewards provide a pivotal role in protecting heritage sites. The [Passport in Time \(PIT\) Program](#) has been instrumental in protecting sites and continues to accomplish as much as 25 percent of the preservation work on national forests.

Program Evaluations

New performance goals and measures are being developed to reflect the increased interest in the Heritage Program. Standards are now being put in place to consistently measure performance and customer satisfaction with the management of their cultural resources.

Conclusions and Challenges

The FY 2001 performance demonstrates a trend of declining ability to adequately protect heritage sites and resources. Although the agency continues to find ways to use outside partnerships and assistance to even greater degrees, a limited number of heritage personnel are available to initiate these actions. The USDA Forest Service also faces growing public demand for heritage tourism types of activities and information. Catastrophic events such as the fires of FY 2000 and 2001 resulted in a reduced heritage workforce because of great amounts of restoration and compliance work associated with all the fire-related activities. New regulatory frameworks also result in more work activities and consultation with Native American Tribes. Better agency integration and support are the key elements to improving performance.

By law, the agency is obligated to conduct inventories to survey all heritage-related resources and evaluate and manage those with significance to the American people. About 300,000 sites still need to be inventoried. At the current rate of 3,200 inventories conducted per year, this task will take about 90 years to complete. The USDA Forest Service is conducting research and developing costing tool factors to help prioritize sites for inventory work.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

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Objective 2.2. Improved urban environments and enhanced community livability through healthy landscapes.

Annual Performance Goal 2.2.1. Increase assistance to eligible communities to increase local capacities to assess, expand, and improve urban environments.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# participating communities	PMAS	10,514*	10,547	11,100	11,021

* Correction to the FY 2000 Annual Performance Report.

Overview

The USDA Forest Service S&PF’s [Urban and Community Forestry \(U&CF\) Program](#) provides leadership in improving and expanding urban forest ecosystems. The U&CF Program helps local communities recognize the value of their forests, build capacity to manage community forest resources, and support community vitality through public involvement, commitment, and action. Programs to encourage strategic use of tree planting and urban forest management help mitigate the effects of air, water, soil, and noise pollution and flood hazards, as well as help reduce energy use and beautify communities. These efforts also improve the economic climate by increasing real estate values and helping communities attract and retain businesses.

The U&CF Program also leads communities to provide better stewardship of urban natural resources. The program offers expert advice, innovative technology, and financial assistance to ensure that healthy trees and forests grow where people live, work, and play. Metropolitan areas collectively support nearly one-quarter of the Nation’s total tree canopy cover. Program funding contributes to community economic stability, natural beauty, public health, and quality of life. The U&CF staff works cooperatively with State foresters and other partners to effectively deliver the Federal program and develop urban and community forestry programs at the State and local levels. The program currently places emphasis on strengthening State and local capacity, helping make cities more livable to reduce urban sprawl, assessing the condition of urban natural resources, and strengthening applied research and technology transfer.

FY 2001 Performance

Based on FY 2001 reports by the States, 11,021 communities participated in U&CF programs nationwide, which is approximately 40 percent of all communities eligible for U&CF technical or financial assistance. The USDA Forest Service and State partners supported U&CF projects in communities and city neighborhoods. These efforts resulted in more than 4 million volunteer hours, greatly exceeding the 1.2 million hours of volunteer assistance projected for 2001.

In 2001, the tree program of the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 used U&CF funding to plant trees at different venues around Salt Lake City. In cooperation with the USDA Forest Service, the U.S. Olympic Committee announced at a Millennium Green event at the White House that its environmental program would focus on urban and community forestry through a Plant it Green™ program.

Urban watershed stewardship activities around the country continued to receive U&CF support in FY 2001. Regions and State partners provided technical assistance and grants to communities and Native American Tribes to undertake collaborative efforts to manage, protect, restore, and maintain natural resources and watersheds in their communities. Some projects engaged under-represented groups and youth organizations in community-based watershed restoration efforts. The program works with States to define and implement natural resources protection and restoration efforts within large urban areas and to address issues of environmental justice and urban sprawl in project design and implementation.

The U&CF support to the Chicago Greenstreets program, which ended in 2001, helped restore deteriorated neighborhoods and enhance public open space through tree planting and care, recycling, and open space revitalization. Greenstreets was instrumental in the cooperative efforts to reforest Chicago neighborhoods devastated by the Asian long-horned beetle.

The USDA Forest Service also continued to provide assistance to and participate in the [Chicago Wilderness](#)™ coalition, consisting of more than 120 Federal, State, and local government agencies and conservation organizations. These partners have agreed to work together to restore, connect, and manage more than 200,000 acres of protected natural areas in public and private ownership, extending from northwestern Indiana through northeastern Illinois and southeastern Wisconsin. These lands are in the backyard of the 8 million residents of the Chicago metropolitan area.

In recent years, the U&CF Program has expanded outreach to underserved communities in large metropolitan areas. Urban forestry projects in support of local efforts to revitalize older neighborhoods are under way or completed in Seattle; San Francisco; Los Angeles; Las Vegas; Denver; Chicago; Buffalo; Boston; New York; Philadelphia; Baltimore; Washington, DC; Atlanta; and South Florida.

In 2001, the Congress appropriated \$4 million of land conservation, preservation, and infrastructure improvement funding for U&CF programs in metropolitan statistical areas. Using a competitive grant process, the program initiated projects throughout the United States to analyze and address the impacts of increasing population density and unplanned growth on natural resources in metropolitan areas and to study ways to revitalize declining older cities.

The U&CF Program provides assistance to the Revitalizing Baltimore project that works with culturally diverse communities to help residents plant trees along neighborhood streets and streams, convert vacant lots into community green space, improve neighborhood parks, and support youth education programs to foster stewardship. The project has assisted the city's efforts to engage residents in helping monitor water quality, restore riparian areas in neighborhood streams, and develop urban watershed restoration plans.

The USDA Forest Service completed geographic information system (GIS)-based urban ecosystem analyses in the rapidly urbanizing Colorado Front Range; Houston, TX; and the Portland, OR/Vancouver, WA, metropolitan areas. In addition, the U&CF Program continued to support development and delivery of GIS planning tools for integrated forest ecosystem analysis, such as the American Forests' CITY Green analysis package and TreePeople's T.R.E.E.S. These cost-benefit programs help State and local governments improve land use planning and management in rapidly growing communities.

The agency established the U&CF Technology Transfer Team to strategically integrate research to address regional urban forestry issues and provide practical results at the local level. In 2001, the team completed a national strategy to dramatically improve delivery of new urban forestry research to forestry professionals, practitioners, and other end users. The team also initiated special communication tools, such as the monthly "urban forestry technology transfer highlights" and new products on CD-ROMs to provide practitioners with current tools to help better manage the natural urban environment. Tools are developed through USDA Forest Service research stations and urban forestry technology transfer centers.

Program Evaluations

No program evaluations were conducted in FY 2001.

Conclusions and Challenges

The U&CF Program has been funded for 10 years and has shown exciting accomplishments and increasing public awareness and participation in State and local urban and community forestry programs. Financial support to State and local programs has built a structural capacity leading to greater numbers of self-sustaining efforts; every dollar of Federal funding leverages another 4 dollars invested by local public investments in tree planting and maintenance.

A need continues for greater scientific understanding and applied research in urban forest health, structure, and function within the landscape to better monitor and sustain the long-term benefits provided by these forests. As urbanization spreads into less developed rural areas, a growing percentage of the Nation's natural resources—including key national forests—will merge with urban forest ecosystems. For this reason, it is critical that we begin to look at and influence vital connections on the landscape. From declining inner-city neighborhoods to increasingly fragmented rural forests, a new emphasis on linking and managing the Nation's "green" infrastructure will enable the agency and the U&CF Program to work effectively across the landscape with other Federal, State, and local partners to contribute to and build more sustainable communities.

The USDA Forest Service will continue to track trends in participating communities, volunteer participation in U&CF programs, and sustainability of local programs. Various cities are using new tools, developed by USDA Forest Service R&D and other partners, to help assess urban forest values, structure, and functions (for example, air pollution removal and carbon sequestration). With these tools, communities are improving management of urban forests to improve human health and environmental quality. The agency has also begun to assess urban tree canopy cover and green space every 10 years. By 2006, the agency will complete the second assessment and report on which urban areas have increased tree cover by 5 percent nationwide.

The U&CF Program adopted an updated action strategy for the next 3 years based on the July 1996 USDA document *Urban and Community Forestry on Course into the Future*. The revised strategy will guide U&CF Program activities through FY 2004.

Verification, Validation, and Limitations of Data Sources

State agency coordinators provide annual accomplishments online using PMAS, a Web-accessed database. Regional coordinators and the Washington Office review all State submissions before accepting the data. Because reorganization is under way for the U&CF Program area, the USDA Forest Service did not conduct program reviews during FY 2001 to validate supporting documentation for these numbers.

Objective 2.3. Economically healthy and diversified rural communities operating under strategic plans for sustainable development.

Annual Performance Goal 2.3.1. Increase assistance to rural communities.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# communities and volunteer fire departments assisted	Program Staff	2,450	2,990	4,332	3,062
# communities working under broad-based local strategic plans	PMAS prior to FY01; EAPs* in FY01	740	916	925	959

*Economic Action Programs

Overview

Through the State Fire and Volunteer Fire Assistance programs, the USDA Forest Service provides technical and financial assistance to help States, territories, communities, and volunteer fire departments implement fire preparedness and wildland fire mitigation activities. These activities increase the ability of States, territories, and communities to protect the natural resources and property that small communities rely on for their economic livelihood.

The USDA Forest Service uses the [Economic Action Programs](#) (EAPs) to build relationships with rural communities and provide them with technical and financial assistance. USDA Forest Service employees across the country work with local elected officials, grassroots community organizations, community forestry practitioners, and numerous other partners in a multitude of community-based activities. Partnerships are formed to (1) strengthen, diversify, and expand local economies; (2) build local capacity to develop, implement, and monitor community strategic plans; (3) integrate natural resource stewardship with opportunities to expand and create jobs and locally owned businesses; (4) develop new products and markets for ecosystem restoration byproducts; (5) improve transportation networks; and (6) increase access to technology.

In FY 2001, EAPs authorities, networks, and partnerships were also used by the NFP to help rural communities and organizations seek market-based opportunities for natural resource businesses and services. Through the additional financial resources of the NFP, the agency used EAPs to build local capacity in areas at risk from wildfires due to concentrations of high-hazard fuels.

FY 2001 Performance

In 2001, the Cooperative Fire Protection Program provided grants to all 50 States and 7 territories, which allowed the States, territories, and rural communities to increase their capacity to fight wildland fire. The program supplied additional firefighting equipment, safety gear, communications equipment, and training for both volunteer and governmental firefighters. In addition, the program provided, for the first time, a significant hazard mitigation program. The States and territories received grants to address wildfire hazards in the wildland-urban interface through fuels reduction, community projects, prevention and **FIREWISE** education campaigns, and creation of defensible space around property. States and territories responded well to this challenge and laid the foundation for future effective programs.

Due to incomplete data reported for communities and volunteer fire departments assisted in FY 2001, it is unclear to what level this target was accomplished. States and territories were using a new database to report accomplishments which resulted in inconsistencies that could not be resolved. These inconsistencies will be corrected in 2002 through fixes to the database entry process and increased work with the States and territories by the regional Cooperative Fire Protection Program coordinators. See a further explanation in the Verification, Validation, and Limitations of Data Sources section.

The number of rural communities working under broad-based local strategic plans is 96 percent of the target. The accomplishment is slightly below target because of an increased emphasis on implementing the NFP, and regional and local EAPs.

The NFP funding was used to help more than 180 rural communities integrate wildfire protection/prevention and hazardous fuels management into new or existing local strategic action plans. Through the assistance of EAP, many more rural communities are in the process of doing the same. Rural communities use these plans to develop local capacity to actively engage in sustainable development and resource management through collaborative processes.

During the summer of FY 2001, a new electronic database was initiated for management of EAPs. Although system enhancements and report development are still under way, the database has proven very useful in collecting and reporting information on base EAPs, as well as the portion of the NFP supported by these programs. This tool is critical to the full implementation of the USDA Forest Service's National Strategic Plan for EAPs: *Working Together for Rural America: 2000 and Beyond – Integrating Natural Resource Management and Rural Community Assistance*. Although this new tool is helping with certain aspects of monitoring and evaluation, more emphasis is needed in FY 2002 to enable rural communities to measure and evaluate their own progress toward their strategic goals.

Program Evaluations

Program reviews were conducted as part of the Chief's overview of the NFP and covered all regions. Program reviews showed that the success of States and territories with Cooperative Fire Protection programs primarily depended on their ability to respond to the changing programs with trained personnel and strategic planning. States and territories vary in the level of planning and partnerships they have created around fire prevention and wildland fire hazard mitigation before 2001. Those with the most planning and completed risk assessments were able to effectively expand and modify program direction. Some States and territories have a limited ability to hire personnel or expend monies beyond the matching funds required by the program.

Because of the need to implement the EAPs component of the NFP under tight time constraints, EAPs managers did not conduct any national or regional program reviews in FY 2001. Overall program management during FY 2001, however, followed the October 2000 release of the updated and expanded National Strategic Plan for EAPs, which was based on a substantive national review of program, processes, and services.

Conclusions and Challenges

In 2001, a foundation for bringing Cooperative Fire Protection Program to the community level was established. Previously, limited funds allowed the States and territories to buy minimal equipment and finance firefighter training. Funding is now at a level where the USDA Forest Service, States, territories, and rural communities are entering into more active partnerships that increase the effectiveness of coordinated firefighting. This results in better protection of the resources and health of communities.

Cooperative efforts are maintaining not only community resources, but also those natural resources the community relies on for its economic health and sustainability. More communities benefited from the programs and more community-based efforts were initiated that will be sustained over time. Challenges include sustaining funding levels for fire protection, hazardous fuels reduction, and fuels utilization.

The results of the first year of implementing the NFP-EAPs has shown again that where partnerships have had time to grow, where community capacity is in place, and where problems (such as wildfire risks) and opportunities (such as small-diameter roundwood products) were more clearly defined, rural communities and their supporting organizations were able to successfully compete for new resources to revise, update, or implement their strategic plans. Those communities without local strategic plans were much less ready to engage in NFP implementation and were more likely to need community-organizing, training, and other basic assistance before they could consider seeking market-based opportunities associated with hazardous fuels reduction on public lands.

Verification, Validation, and Limitations of Data Sources

Data for the performance measure, “communities and volunteer fire departments assisted,” was taken from a new database implemented late in FY 2001. It is clear, based on the results of the initial input, that there were differences in how States and territories defined communities assisted. In some cases, the States and territories did not understand the relevance of the information in the overall accomplishments of the program. At least half of the entities responding to State Fire Assistance accomplishments and Volunteer Fire Assistance accomplishments provided incorrect or insufficient information. It is likely that the accomplishments of States and territories were at least twice what was recorded. In FY 2002, the database will be improved to more clearly record performance measures. Additional training will be also be provided to the States and territories.

The data source for communities working under broad-based local strategic plans is a new EAPs database used by USDA Forest Service field coordinators for assisting rural communities and organizations. Program managers in the Washington Office have completed a review of the database structure, quality and consistency of data entry, and reporting system. Regional program managers have been monitoring data input for completeness and accuracy; additional data needs to be entered and some data quality issues need to be addressed. Data quantity and data quality are adequate for assessing the progress made in FY 2001. Modifications and enhancements to the database structure and data entry protocols will be made and will further improve the consistency and reliability for FY 2002 data entry and reporting. Additional design work will provide the full potential of the database to help communities and the agency describe and measure progress toward long-term goals.

Objective 2.4. An improved capability of the Nation's forests and rangelands to sustain desired uses, values, products, and services.

Annual Performance Goal 2.4.1. Provide a sustainable supply of forest products and range forage from NFS lands and encourage and support other landowners to do the same.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Timber volume offered (million cubic feet) *	STARS**	437	322	720	318
Livestock forage (animal unit months)	INFRA***	8,903	7,970	8,000	7,790

* Includes regular and salvage sale volumes.

** Sales Tracking and Reporting System

***Infrastructure database

Overview

Within the context of maintaining and restoring healthy forests and rangelands, the USDA Forest Service provides a sustainable supply of values, products, and services from NFS lands and encourages and supports other landowners to do the same. The forest, range, and minerals management programs provide wood, livestock forage, energy, and minerals for American consumers; jobs and income to local communities; and revenues for the U.S. Treasury and the States.

The national forests are an important source of timber from Federal lands. Timber supplied from national forests has been instrumental in supplementing timber from private lands to meet the Nation's growing demand for timber and paper products derived from trees. Today, most national forest timber sales are designed to incorporate multiple objectives, including insect and disease prevention and control, wildlife habitat improvement, and fuels reduction. Even so, there is continuing pressure on the agency to meet strict standards for planning, preparing, and administering these sales. The controversy surrounding meeting these standards results in appeals and litigation that increase sale costs and delay sale schedules. These challenges will not be resolved in the near future.

FY 2001 Performance

The timber sale program achieved 48 percent of its "volume offered" target. The offer target established by Congress did not reflect actual field capabilities, which were significantly less. Appeals of timber sale decisions and lawsuits to alter or stop planned agency timber sale actions continue to be significant. In addition, the agency offered 67.9 million cubic feet (MMCF) of volume originally planned for offer in FY 2000. This amount is not included in the table above since it was carried over from the previous year.

In FY 2001, animal unit months (AUMs) of grazing were 97 percent of target. Grazing AUMs are expected to again meet target expectations or fall slightly in FY 2002 from the FY 2001 levels. The procedure for measuring AUMs changed in FY 2000. In FY 1999, the agency counted AUMs under 10-year permits. From FY 2000 forward, AUMs are counted if they are authorized to graze and be billed in the current year. The current method includes annual adjustments made for biological opinions and other changes. As more allotment management plans are reviewed and evaluated using the NEPA process and subsequent decisions are made, it is expected that AUMs under permit will decline slightly. New livestock grazing permits will be issued to reflect the decisions that follow allotment analyses under NEPA. The number of completed NEPA documents is behind the 1995 Rescissions Act schedule; additionally, allotments where NEPA work was assigned may have changed due to shifting priorities among allotments. Thus, the schedule as submitted to Congress is not being following exactly. Forty percent of all grazing allotments are managed to agency standards each year.

Program Evaluations

Timber sale program evaluations in FY 2001 included reviews of the timber sale preparation, harvest administration, and accountability programs in Regions 1 and 2; one overall forest products program review in Region 10; and sale appraisal reviews in Regions 1 and 8.

Conclusions and Challenges

Environmental and species protection provisions are evolving faster than the USDA Forest Service can react to them. Timber sales being planned and prepared are affected by appeals and lawsuits on other sales, and the agency no longer has prepared sales in the pipeline to replace those sales that are delayed or withdrawn because of these challenges. A congressional attempt to address the lack of a timber sale pipeline by establishing the Timber Sale Pipeline Restoration Fund has potential. Because of the delay in getting the timber sales sold that would provide the initial funding and the constraint placed on the agency on how the fund can be used to develop new projects, there has not yet been an increase in the pipeline. In addition, sale preparation costs are increasing faster than outyear budget plans anticipate; thus, field units have less ability to meet assigned targets during the implementation year. Finally, the currently poor market conditions significantly affect the agency's ability to accomplish its vegetative management objectives through the timber sale program.

Considering NEPA responsibilities, the amount of monitoring required, and fire season assignments, the Grazing Management Program performed extremely well with its limited personnel and budget in FY 2001. The program's major challenge in FY 2002 will be to keep pace with the 15-year schedule for performing NEPA on grazing allotments, as provided by Congress under the Rescissions Act of 1995. NEPA decisions are being issued more slowly than anticipated. If the program is fully funded, the agency would increase the level of monitoring and the pace of NEPA-based decisions. If funding is not fully available, project implementation and monitoring will not be achieved at the levels that have been prescribed in recent decision documents or in biological opinions, or as mandated by the courts. At the current pace, the 15-year NEPA schedule will not be completed as planned, leaving many grazing allotments without updated plans for a period that crosses two planning cycles of forest land and resource management plans. Additionally, priorities change as new issues

surface each year. Thus, the allotments listed on the 1995 schedule for each 3-year increment through 2010 may not be the allotments that are in need of immediate decisions today. The schedule established in 1995 needs to be revised to reflect the changes that have resulted from dealing with shifted priorities.

Verification, Validation, and Limitations of Data Sources

Field personnel enter timber volumes offered for sale into the Sales Tracking and Reporting System, from which accomplishment reports are run. This process is managed in conformance with the direction provided in the Timber Management Information System Handbook (FSH 2409.14), Chapter 30, Timber Sale Information.

Annual Performance Goal 2.4.2. Complete NEPA analysis on proposed mineral operations in a timely manner, monitor operations, and ensure that mineral activities are done in an ecologically acceptable manner.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# mineral operations processed	MAR	12,247	11,171	*	7,934
# mineral operations administered to standard	MAR	9,189	**	*	8,254

* Targets were not established for FY 2001.

** Accomplishments were not reported due to definition problems.

Overview

When mineral operations are proposed on NFS lands, the USDA Forest Service processes the proposals, which includes preparing NEPA analyses and determining if mitigation measures are necessary. Approved operations are then administered through monitoring and inspection.

FY 2001 Performance

In FY 2002, the USDA Forest Service will incorporate measurable performance goals from the agency's revised strategic plan. During the transition to the new plan, targets were not set for the performance measures/indicators described above.

Targets for mineral operations processed are estimates of industry demand. The agency cannot accurately predict the number of proposals that might be submitted. The number of new proposals in any given year is dependent on market conditions. Targets being set in FY 2002 represent field office capability rather than projected accomplishment. Accomplishments will be dependent on the number of new proposals submitted.

The performance indicator "operations administered to standard" had definition problems in the past. Because of a misunderstanding of reporting standards and definitions, it was not reported by all field offices in FY 2000. Consequently, there was no data upon which to base FY 2001 targets. For FY 2002, targets are again being set, based on a new, more expansive definition of an "operation."

Program Evaluations

In FY 2001, one program evaluation was conducted in Region 9. There were no significant findings or recommendations.

Conclusions and Challenges

The decline in the number of energy and mineral operations processed will likely continue unless there is a dramatic change in the price of individual commodities or a change in perception on the part of industry as to the availability of energy and minerals from NFS lands.

During late FY 2000, the USDA Forest Service adopted a policy of requiring all existing mineral and energy operations to be properly inspected, monitored, and bonded before new operations are approved. This action will help eliminate controversy and speed approval of new operations in the long term by demonstrating that energy and mineral development does not adversely affect other resources and uses.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Objective 2.5. Better resource management decisions based on the best available scientific and management information.

Annual Performance Goal 2.5.1. Interpret monitoring results and collect and analyze information to develop new land and resource management plans or revisions.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# new LRMPs* or revisions completed or initiated	MAR	11	5	15	8

* Land and resource management plan

Overview

Land and resource management plans (LRMPs) guide management decisions for all national forests and grasslands. Plans develop long-term strategies while recognizing the need to make short-term decisions and provide a framework for making future site-specific project decisions. Plans are dependent on data and information collected by inventories and assessments. The development or revision of LRMPs is a multiyear process.

FY 2001 Performance

The USDA Forest Service accomplished 53 percent of the LRMPs target. In FY 2002, the agency will continue to revise its planning rule to improve the revision process and the quality of resulting plans. These regulations are designed to take advantage of lessons learned over the past 20 years of forest planning. Setting forth a process that makes sustainability the foundation of planning and decisionmaking, the new rule will engage the public in defining the future of NFS forests and create plans with a sound scientific basis.

Program Evaluations

The agency did not perform any program evaluations for these indicators in FY 2001.

Conclusions and Challenges

During FY 2002, the USDA Forest Service will require all forests and regions to issue any uncompleted monitoring and evaluation reports for FY 2000 and FY 2001. Additionally, the agency will strengthen the relationship between these reports, the strategic plan, and the annual performance plan.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Annual Performance Goal 2.5.2. Acquire, analyze, and interpret information needed to evaluate implementation of land and resource management plans.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# scheduled monitoring reports	MAR	101	88	128	104

Overview

Monitoring and evaluation reporting occurs at two levels: (1) individual land and resource management plans and (2) NFS regions. Plan reports describe the monitoring activities and associated evaluation results of how well plans are being implemented, how effective management actions are in achieving desired results, and the validity of underlying assumptions made in the plans. Results are used in adaptive management to keep plans current and adjust decisions to correct or improve management of the national forests and grasslands. Regional reports aggregate plan reports and evaluate how respective regions are managing their composite national forests and grasslands. The performance indicator is the sum of the number of these two types of reports issued annually.

FY 2001 Performance

The USDA Forest Service accomplished 81 percent of its target for scheduled monitoring reports. The Ecosystems Management Coordination Staff has developed plans to complete these required reports during FY 2002.

Program Evaluations

There were no program evaluations conducted during FY 2001.

Conclusions and Challenges

During FY 2002, the USDA Forest Service will require all forests and regions to issue any uncompleted monitoring and evaluation reports for FY 1999, FY 2000, and FY 2001. A national meeting with regional monitoring and evaluation coordinators and monthly conference calls will stress compliance with these targets. Additionally, the agency will strengthen the relationship between these reports with the strategic plan and the annual performance plan.

Verification, Validation, and Limitations of Data Sources

To improve the quality of the MAR data, the USDA Forest Service took several actions in FY 2001. A new database was designed and implemented for the gathering of this data. The new system is designed to minimize the risks of errors from manually consolidating data entry sheets; reduce the amount of time for data entry and tabulation; facilitate field review of accomplishments reports; and improve data analysis, control, and validation efforts.

Individual forests enter data into a spreadsheet that matches the accomplishments against targets and provide reason codes when accomplishments are outside of a +/-5 percent range of the targets. Forests' spreadsheets are loaded into an ESSBase database, where the forests' accomplishments are automatically rolled-up to the regional and national level for review, validation, and analysis of the data. This system incorporates OIG recommendations from a June 2000 report on implementing "reasonableness" checks in the reporting process.

Objective 2.6. A safe environment for the public and employees on NFS lands.

Annual Performance Goal 2.6.1. Provide a safe environment for the public and employees on NFS lands.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Percent of enforcement capability	LEI*-LEMARS**	28	30	30	44
Percent of investigative capability	LEI-CTS***	49	51	51	43

* Law Enforcement and Investigations

**Law Enforcement Management Attainment Reporting System

***Case Tracking System

Overview

Law Enforcement and Investigations (LEI) is charged with providing a safe environment for the public and USDA Forest Service employees on NFS lands. It must also protect natural resources and other property under the agency's jurisdiction. Law enforcement cooperates with Federal, State, and local law enforcement agencies to achieve these goals. LEI accomplishes its mission through three program elements: (1) enforcement activities, (2) investigative activities, and (3) drug enforcement. The LEI staff responsibilities are as follows:

- Provide high-visibility, uniformed, patrol presence and prompt response to public and employee safety incidents and violations of laws and regulations;
- Conduct criminal investigations;
- Maintain strong relationships with cooperating law enforcement agencies;
- Reduce the production of domestic cannabis and other controlled substances and smuggling of illegal drugs through NFS lands; and
- Develop and apply new improved technologies and techniques for use in enforcement and investigative activities.

Increased recreation on NFS lands has led to an increase in visitation and urban encroachment, causing significant impacts on NFS lands, thereby increasing risks to public and employee health and safety. Consequently, the demands on agency law enforcement personnel continue to increase significantly; however, funding, personnel, and cooperative reimbursement dollars have not kept pace.

Increased visitation has also led to increased criminality. Violations against people and their property have increased and have become more severe. No longer are law enforcement personnel just handling minor infractions, petty offenses, and misdemeanors; they are asked to respond to the following:

- Incidents such as environmental protests, threats to employees and Government property, eco-terrorist activity, large group events, rave parties, gang activity, and fire emergencies;
- Crimes such as rape, homicide, domestic disputes, assault, robbery, and other serious felony crimes; and
- Calls to assist in traffic accidents, search and rescue, medical/emergency assistance, hazardous materials spills, and other first-responder incidents.

FY 2001 Performance

In FY 2001, LEI responded to 215,484 incidents occurring on NFS lands. LEI personnel also responded to more than 1 million public assists for a variety of reasons, such as providing general information, obtaining information on criminal matters, assisting with visitors' problems, and helping with search and rescue efforts. Criminal investigators opened 2,699 resource investigations and closed 1,988; they included incidents such as timber and forest product theft, archeological resource damage and theft, and arson. In addition, they conducted 172 internal misconduct investigations.

National forests are a haven for the production of controlled substances and other drug activity. The USDA Forest Service has primary responsibility for drug enforcement on NFS lands. LEI personnel eradicated domestic marijuana plants, located clandestine methamphetamine operations, and interdicted illegal drug smuggling along both international borders. Armed growers, booby-trapped sites, and toxic chemicals pose a tremendous risk to the public and employees. Additionally, watersheds, vegetation, soils, and wildlife are at great risk from toxic chemicals, fertilizers, and wildlife poisoning and poaching.

Program Evaluations

Working collaboratively with external entities enables LEI to better accomplish its mission. The staff works with (1) the Office of National Drug Control Policy to carry out the President's National Drug Control Strategy; (2) the FBI to coordinate law enforcement response to terrorist activity, particularly ecoterrorist activity; (3) Department of the Interior agencies for support in field operations; and (4) a wide variety of other entities. A Memorandum of Understanding has been drafted with the National Sheriffs' Association to begin jointly developing crime prevention materials for forest visitors. This effort will help USDA Forest Service customers better understand the rules and regulations affecting NFS lands, and the agency hopes, will decrease minor criminal activity.

Conclusions and Challenges

The USDA Forest Service's goals are to achieve a 100 percent response rate for both enforcement and investigative capabilities and to completely eliminate marijuana, methamphetamine, and drug trafficking on NFS lands and activities affecting those lands. To reach these targets, LEI must obtain additional funding. The base level of LEI's service is currently defined as a minimum of one law enforcement officer on each USDA Forest Service unit. LEI will prioritize enforcement and investigative actions, ultimately limiting response to crimes against persons and their property instead of natural resource-related crimes. Until the base level of service is reached, LEI's goal is to maintain, rather than reduce, its current enforcement and investigational capabilities.

The terrorist acts of September 11, 2001, have affected LEI staff priorities. Currently, LEI is undertaking efforts in facility security assessments, primarily highly vulnerable research labs, and defining a national plan for identifying and protecting USDA Forest Service assets, including those under special use permits. These assets include oil and gas lines, transmission lines, power grids, dams, bridges, communication sites, water treatment facilities, and drinking water storage. LEI is establishing a Homeland Security Coordinator to facilitate all LEI efforts in sharing information; collecting and disseminating intelligence; and preventing, enforcing, and investigating terrorist acts. In addition, an internal response plan is being developed for future incidents, which will include response capability, continuity of operations, and an internal/external contact matrix.

Verification, Validation, and Limitations of Data Sources

Law Enforcement Management Attainment Reporting System (LEMARS) and Case Tracking System (CTS) information is entered at the field level as described by the users manuals. The LEMARS database tracks incident information including violation and warning notices and incident reports. LEI personnel use the totals from LEMARS to calculate the enforcement capability. The CTS database tracks serious misdemeanor and felony investigations. LEI staff use these totals to calculate the investigative capability. The primary limitation to both systems is lack of personnel to enter data, which can lead to either late data or data not recorded at all, ultimately resulting in under-reporting. In addition, the CTS database experienced significant technical difficulties in some regions; therefore, manual data collection occurred, which increases the potential for inaccurate data collection.

The LEI staff has implemented a new electronic enforcement and investigative database that will replace the old LEMARS and CTS systems. This new system, the Law Enforcement and Investigations Management Attainment Reporting System (LEIMARS) resides on a GIS platform and will provide crime trend and analysis capabilities and enable the mapping of incidents and investigations.

Objective 2.7. NFS resources and land titles are protected through conflict-free and legally defensible boundary lines and administration of special use authorizations.

Annual Performance Goal 2.7.1. Survey, mark, and maintain agency boundary lines to standard.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# miles of boundary line marked and maintained	MAR	3,102	2,880	3,282	3,187
# cases resolved to provide and protect public access	MAR	332	263	440	292

Overview

Boundary lines, established by legal land surveys, which are clearly marked and posted on the ground, provide the land manager with defined perimeters for land and resource management activities, while protecting the property rights of adjoining landowners and the public estate. Marked boundary lines help prevent trespass, encroachment, and unauthorized use of public land. This program activity often uncovers previously unknown trespass or encroachment. Trespass and encroachment on national forest land is a problem often requiring costly and protracted litigation to resolve.

The lack of necessary and appropriate administrative and public access to national forest land is an ongoing issue. It is estimated that access is not adequate for approximately 30 percent of the NFS land. For many locations, limited access prohibits effective management of the land or public use.

FY 2001 Performance

In FY 2001 the USDA Forest Service met 97 percent of its goal, marking and/or maintaining 3,187 miles of national forest boundary lines. Funds to survey and mark boundary lines, as well as funds for other lands activities, were combined into one appropriation in FY 2001. This action allowed funds previously targeted to support the survey and marking of boundary lines to be used for other lands activities, which could account for the reduced accomplishments. The field budget formulation process, planned for partial implementation in FY 2002, and full implementation in FY 2003, should enable the field units to build budgets and target levels consistent with actual program needs.

In resolving 292 trespass and encroachments, the USDA Forest Service cleared and removed unauthorized use and occupation of public lands from private use or claim of ownership. The agency did not meet its target of 440 cases, however, primarily because of the season's wildfires.

Program Evaluations

Beginning in FY 2000, the Lands Staff initiated internal examinations of the Boundary Management and Title Management Programs of the USDA Forest Service. Initial reviews indicate that boundary management and title management are so closely related and intertwined, and dependent on the same staff specialist, that administratively these programs are being combined into a Boundary and Title Management Program. The Boundary and Title Management Program, currently under design, includes measures of accomplishment and accountability. The Boundary and Title Management Program is focused on providing boundary lines that are free and clear of legal challenges of ownership and location, and on supporting actual field needs.

Conclusions and Challenges

Increasing labor and fixed costs have a significant impact on the volume of work accomplished from year to year. In addition, a shrinking workforce and the loss of skilled lands specialists contribute to declining outputs. The continued evolution in surveying, mapping, and recordkeeping is offsetting some of the loss in workforce. The evolving technologies, however, demand that land specialists attain greater technical skills than in the past. In the next several years the agency must recruit and retain lands specialists with requisite technical skills.

The increasing relocation of the public into the rural landscape, as well as the exploding urban/forest interface, is significantly increasing the volume and frequency of encroachments and unauthorized trespasses on the public lands administered by the USDA Forest Service. The greatest challenge in this program area is to ensure that boundary lines are marked and maintained in those areas where populations and public use have increased.

Nationwide implementation of the Boundary and Title Management Program in the USDA Forest Service is focused on preventing trespass and encroachment before they occur, including extensive involvement with the land adjustment activities of the agency. This requires that each USDA Forest Service field unit have access to the appropriate lands specialist on an as-needed basis to ensure constant monitoring and protection of USDA Forest Service boundaries and land titles.

Verification, Validation, and Limitations of Data Sources

Individual forests and grasslands track boundary management accomplishments (miles of boundary line marked and maintained and special management area boundaries marked) in their respective Corner Status Atlas. This is in conformance with direction provided in the Forest Service Manual (FSM 7150). These accomplishments are physically marked on hard copy maps and then reported in the MAR system by each region for national reporting.

Title management information is reported in several formats. Small Tract Act case information is reported through Form 5500-3, Small Tract Act Parcels Report; land status information is reported through the Land Areas Report and also in the Automated Lands Program system; and title claims are reported through the litigation process or through administrative procedures. These reporting requirements have been in place for several years and provide an accurate and reliable measurement of the annual accomplishments and the agency's progress in resolving access issues. Boundary management accomplishments will soon be electronically tracked in the Automated Lands Program software.

Annual Performance Goal 2.7.2. Administer special use authorizations to meet public health and safety standards.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# special use permits administered to standard	MAR	18,726	12,108	6,522	12,907

Overview

Special use authorizations, including communication sites, public and private roads, Federal Energy Regulatory Commission (FERC) license renewals, and energy-related transmission rights-of-way, are all part of the goods and services that are attributable to NFS lands. These permits provide support to other Federal, State, and local agencies in fulfilling their missions, provide statutory rights of access and use, and contribute to local economies.

FY 2001 Performance

The USDA Forest Service's FY 2001 accomplishment of 12,907 special use permits administered to standard represents a 98-percent increase over the assigned target for the fiscal year. However, the reported accomplishment continues to indicate that there is not a common understanding of administering a special use authorization to a defined "standard." The Washington Office Lands Staff will be working with field staff in preparing a more definable, measurable, and verifiable "standard" for future year accounting and reporting purposes.

Program Evaluations

No program evaluations were conducted in FY 2001.

Conclusions and Challenges

The USDA Forest Service will develop a clearer definition of the tasks involved in administering a special use case to the minimum standards (for health and safety purposes) in FY 2002. This effort will help ensure that only those cases in which such tasks have been performed will be reported in the future. In addition, the agency must conduct an evaluation of the reporting standards being used by each region to ensure greater understanding and consistency in the criteria used to report accomplishments of cases administered to standard.

The agency will continue to emphasize full resource integration in the permitting and administering all special uses necessary for public health, welfare safety, convenience, and national security, such as pipelines, highways, communications, and telephone lines. The goal is to have at least one-third of the highest priority non-recreation (lands) special uses cases administered to a minimal health and safety standard annually so that each of the highest priority cases is addressed at least once every three 3 years. A priority will be placed on ensuring that the agency has trained and skilled personnel needed to provide high-quality customer service in special use administration to those needing an authorization in conjunction with statutory rights, and to those constructing and maintaining energy and energy-related facilities.

Verification, Validation, and Limitations of Data Sources

Lands Special Use Authorization (SUA) information is entered into the INFRA Special Uses Database System (SUDS) at the field level as prescribed in the SUDS User Guide and as directed in memo(s) from the Washington Office. SUDS provides for data entry to track scheduled and completed inspections of SUAs. In FY 2002, SUDS will be modified to collect data of completed inspections into its biannual data collection snapshot. This data entry will serve as the data source for determining MAR targets. The accuracy of data is dependent, in part, on whether the inspection is documented in SUDS.

Objective 2.8. An efficient and effective infrastructure that supports public and administrative uses of NFS lands.

Annual Performance Goal 2.8.1. Maintain and restore existing infrastructure to protect capital investments where they provide safe, efficient, and environmentally suitable support for agency activities and public use.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Road condition index rating	Program Staff	—	305	337	*
% roads without critical deferred maintenance needs	INFRA	40	42	41	10
% roads open to intended traffic	INFRA	90	96	96	94
Accident frequency on roads managed and maintained for passenger cars	Program Staff	40	40	40	**
% bridges inspected as scheduled	INFRA	—	67	100	66
Average bridge sufficiency rating	INFRA	—	—	60	***
% facilities maintained to meet standard	—	—	—	20	****
# capital improvement projects accomplished	Program Staff	62	73	79	72
# (million) PAOT***** days of seasonal recreation capacity available	MAR	203	198	200	230

* Due to difficulties in combining various road indicators to calculate an empirical road condition index, this measure was deleted during FY 2001.

**This measure was deleted for FY 2001. A new measure is being developed for use in future years.

*** This measure was new for FY 2001. Due to lack of baseline data and the need to develop an accurate rating, the USDA Forest Service will defer reporting on this measure until finalized.

**** The agency is developing a facility condition index to replace this indicator.

*****Persons at one time

—Data not available

Overview

Facility and road maintenance ensures that legal, environmental, and safety requirements are met as much as possible within funding constraints and helps provide for the safety of forest visitors and employees. Maintenance of roads directly affects national forest management, because the road system provides the access necessary to achieve forest plan objectives. Maintenance of facilities results in higher employee productivity, improved public image, lower Workers' Compensation costs, and improved customer service. Adequate facilities also increase productivity in environmental resource development and use. Additionally, roads and facilities that are maintained to an acceptable standard help conserve resources and protect ecosystems by minimizing adverse environmental impacts.

Public use at developed recreation sites is increasing. A greater emphasis on reconstruction of existing sites along with higher levels of road maintenance, rather than new construction, will allow the USDA Forest Service to improve the quality of the recreation experience. Reconstructing and repairing existing trail tread, bridges, cribbing, water bars, and other components better serve the backcountry user and allow for increased user capacity.

Most of the recreation infrastructure was built in the 1960s and is in a state of decline. The current, accumulated cost of the maintenance backlog for recreation facilities, trails, water systems, and heritage structures is estimated to be \$716 million. At the same time, recreation is the fastest growing use of national forests. The annual maintenance needs of recreation facilities and trails are estimated to be \$130 million, excluding operating costs. The current annual appropriations for maintenance are a fraction of this need. As long as annual maintenance is underfunded, deferred maintenance will continue to grow.

Both the recreation facility infrastructure and recreation customers are demanding more attention. To address these concerns, the USDA Forest Service developed the Recreation Agenda. The agenda is a framework for defining principles, processes, and priorities for the long term. It provides a five-point blueprint, which includes providing safe, natural, well-designed, accessible, and well-maintained recreation opportunities for all visitors. Implementation began in FY 2001.

FY 2001 Performance

In FY 2001, only 10 percent of USDA Forest Service roads had no critical deferred maintenance needs. This number remains constant from the previous year. The percentage of roads open to intended traffic is 98 percent of target.

The national average of bridges inspected on schedule is 66 percent of target. Many inspections are conducted by State engineers, and in some cases the reports are not received in time to get the results entered into the database. In addition, diversion of staff resources for fire duty delayed some inspections. Finally, there is a lack of trained and certified bridge inspectors.

The number of capital improvement projects accomplished was 92 percent of target. The shortfall was due to the fourth quarter rescission of construction funds to support fire suppression nationwide.

Seasonal recreation capacity exceeded its target by approximately 30 million persons-at-one-time (PAOT) days. The [Fee Demonstration Program](#), which began in 1996, has provided nearly \$80 million in critical new funding to provide quality recreation services, reduce maintenance backlogs, enhance facilities, improve safety and security, and conserve natural resources.

Program Evaluations

A general recreation program review was conducted in Region 8 and Region 9. The absence of a developed site program manager has created a gap in the information needed to effectively assess the program.

The Engineering Staff conducted road programs monitoring trips to Region 5 and Region 8 during FY 2001. The monitoring revealed that many forests do not have adequate road management objectives. Forests will be required to develop road management objectives, however, according to the road management policy issued January 12, 2001.

Conclusions and Challenges

A \$716 million backlog in repair and maintenance exists for all buildings, including \$350 million for existing recreation facilities. The USDA Forest Service must prioritize facilities to be upgraded to meet health, sanitation, and accessibility standards. At the same time, the agency must be prepared to remove buildings and infrastructure that no longer meet our needs, are not in tune with the natural setting, present significant health and safety problems, or are too expensive to maintain. To protect and ensure the proper care of natural settings, the agency will need to strengthen some heavily used and fragile sites. New construction should be limited and will need to focus only on resolving resource impacts, meeting identified demand, and helping to diversify local economies.

Appropriations are not sufficient to bring all existing facilities to an acceptable standard or to construct new facilities that meet changing customer demands or reduce environmental impacts. The USDA Forest Service is developing a facilities management strategy to address the funding shortfall that includes a facility master planning process, facility working capital fund, and guidelines for decommissioning and disposal of unwanted facilities. In addition, the USDA Forest Service will continue to look at opportunities to partner with volunteers, nongovernmental organizations, other agencies, and private sector businesses to get the job done.

The USDA Forest Service estimates a \$10 billion backlog of deferred maintenance and capital improvement needs on the road system. At current funding levels, the backlog continues to grow and has extensive adverse impacts on national forest visitors and resources. In addition, many national forests do not have good road management objectives to define the intended traffic for each road. Forests that do not have these objectives report operational maintenance levels equal to objective maintenance levels because they have no basis to report

otherwise. When forests develop management objectives as required by the new road policy (and prior policy), the agency anticipates that the current operational maintenance levels on many roads will be found to be less than objective levels for those roads. This situation will result in a lower percentage of roads reported open to intended traffic.

The USDA Forest Service published a new road management policy in FY 2001. The policy requires all national forests to complete a forestwide roads analysis by January 12, 2003. In doing this analysis, national forests will compare their available road maintenance funding with the funding needed to maintain the road system at its objective level. Alternative transportation strategies will be developed that, while greatly reducing the number and maintenance levels of open roads, will result in a road system that can be maintained to applicable standards within the available budget. As these strategies are implemented, the percentage of roads maintained to objective maintenance levels will continue to decline.

Verification, Validation, and Limitations of Data Sources

Most of the data referenced is obtained through the USDA Forest Service INFRA database. This database provides access to data that is input at the field level; therefore, accuracy of this data is limited. Currently, the only active process for data verification and validation is through condition surveys throughout the year. These surveys provide a cursory look at the progress of the performance measures, not specific data validation. The USDA Forest Service, however, is currently in the process of developing strategies to increase the accountability and validity of data. One way for implementing these strategies is through the new Road Management Policy.

The percent of roads open to intended traffic measure is limited in its applications. Monitoring trips to the regions continues to indicate that the forests are over-reporting this value. The roads analyses discussed above will begin to address this issue.

Annual Performance Goal 2.8.2. Reduce the backlog of trail construction needs.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# miles of trails maintained and improved	MAR	33,049	25,575	42,045	44,485

Overview

The USDA Forest Service is responsible for managing approximately 133,087 miles of trails, thus providing the public a wide variety of outdoor opportunities. Greater emphasis on trail improvement, along with higher levels of trail maintenance (rather than new construction), will enable the agency to continue improving the quality of the recreation experience. Improvement and repairs to existing trail tread, bridges, cribbing, water bars, and other components better serve the forest user and allow for increased user capacity.

FY 2001 Performance

The reported miles of trail maintenance and improvement are 105 percent of target. The USDA Forest Service has emphasized reducing the backlog of trail construction/reconstruction and trail maintenance. In addition, the agency is completing trail inventories to determine the existing situation and plan for the future. Project work was supplemented by volunteer assistance; however, staff shortages and fire emergencies continue to challenge backlog progress.

Program Evaluations

General recreation program evaluations were conducted in Region 8 and Region 9. Additional inventory of trail resources and inclusion in the infrastructure database will improve overall accountability. Program budgets were supplemented by a variety of partnerships and collaborative volunteer efforts to accomplish trails operation and maintenance needs, and such efforts are expected to continue. Funding levels and other duties, such as fire emergencies, restricted full staffing of trails positions at local levels. Increased emphasis should result in improved accomplishment in FY 2002.

Conclusions and Challenges

The public is becoming increasingly interested in the trails program. Additional resources will be needed to accomplish inventory and maintenance needs, maintain and continue partnership outreach efforts, and provide volunteer support. Catastrophic events in some regions from fires of FY 2001 have added to trail and trail structure damage, resulting in additional rehabilitation needs. The current annual appropriation for trail maintenance is only 35 percent of the estimated need. As long as annual maintenance is underfunded, deferred maintenance will continue to grow.

Verification, Validation, and Limitations of Data Sources

Currently, the only active process for data verification and validation is through program evaluations conducted throughout the year. These evaluations provide only a cursory look at the progress of the performance measures; they do not provide not specific data validation. The USDA Forest Service, however, is developing strategies to increase the accountability and validity of data.

Goal 3. Ensure organizational effectiveness.

Management Initiative 3.1. An innovative, people-oriented work environment and workforce that is representative of society as a whole and that services all customers equally.

Annual Performance Goal 3.1.1. Promote an innovative, people-oriented work environment and workforce that is representative of society as a whole and that services all customers equally.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
% total workforce who are minorities, women, and persons with disabilities	DN-714*	48.7	48.8	48.9	49.6
% leadership positions (GS-13 and above) held by minorities, women, and persons with disabilities	DN-714	34.5	35.6	37.2	35.8
# persons served in Youth Conservation Corps	SYVP**	717	705	735	891
# persons served in Job Corps	SYVP	8,623	8,818	8,000	9,528
# persons served in Senior Community Service Employment Program	SYVP	5,221	5,410	5,000	5,537
% related indicator for implementing USDA civil rights initiative	DN-714	78.4	80	85	90
% employees in workforce participating in CIP*** survey	DN-714	46	****	50	—

* The USDA's National Finance Center produces the DN-714 report, an equal employment opportunity profile. Because the data is based upon the agency's national employment records, it is highly accurate. The data is based upon the number of permanent employees. Temporary employees are excluded because the data would be highly variable.

**The Senior, Youth, and Volunteer Program (SYVP) tracks data for Job Corps, Youth Conservation Corps, and Senior Community Service Employment Program accomplishments.

***Continuous Improvement Process

**** The CIP survey was not scheduled for FY 2000.

—Data not available.

Overview

A key component of an effective USDA Forest Service organization is a workforce that is representative of the agency's customers and the diverse American public. The USDA Forest Service must be able to attract, retain, and provide career opportunities for employees of all ethnic and cultural backgrounds, as well as for those with disabilities. Building skills and cultural awareness to better serve low-income, minority, historically underserved communities and tribal governments is also an area emphasized by the USDA Forest Service. The USDA Forest Service, in conjunction with USDA, is working to build an innovative, people-oriented work environment, and to achieve excellence in public service to all customers and all segments of society.

Programs such as the [Youth Conservation Corps \(YCC\)](#), [Job Corps](#), and [Senior Community Service Employment Program \(SCSEP\)](#) provide opportunities for work, training, and education for the unemployed, underemployed, young, elderly, and others with special needs. These performance measurements above indicate the number of people served in each program, where a "person year" is equivalent to 1,800 hours. Many challenges face these programs. It is difficult for the YCC to recruit and retain youth and then find forests or districts that are willing to host and supervise them. The Job Corps is seeking to recruit more female students to nontraditional trades; and it must track the success of all graduates for 1 to 2 years. The SCSEP must implement the Workforce Investment Act and the reauthorization of the Older Americans Act.

The agency's Continuous Improvement Process (CIP) provides the venue for all employees to participate in surveys to identify areas within the agency where relative strengths and weaknesses exist and to effect improvements. These improvements result in a more productive work environment and better customer service.

FY 2001 Performance

The USDA Forest Service achieved its first two indicators relating to minorities, women, and persons with disabilities. The agency has implemented the strategic Public Outreach Plan to improve customer service and increase program delivery and outreach to minorities, low-income, and underserved populations. In FY 2001, the agency conducted the necessary planning to implement a formal CIP survey for all employees in FY 2002, and has coordinated with all agencywide CIP coordinators at all organization levels. The FY 2002 agencywide survey was implemented October 15, 2001, through December 15, 2001, with action planning at all levels of the organization immediately following the survey. In addition to conducting the survey, the agency has contracted with Gallup Corporation to conduct a pilot of a newer survey that will be conducted in FY 2002 in the Pacific Southwest Region and the Southern Research Station.

The USDA Forest Service also accomplished the following:

- Significantly reduced the number of formal Equal Employment Opportunity (EEO) complaints backlogged in the agency's inventory of complaints through the acceptance and investigative stages of the process.
- Formed the Civil Rights Leadership Team, joining the efforts of field civil rights directors and EEO counselors to develop strategies to eliminate identified barriers, implement strategies to decrease complaint filings, and improve resolution rates.
- Exceeded the YCC target by 5 percent, with the program succeeding in serving more students for shorter amounts of time in the summer.
- Met its target for implementing the USDA Civil Rights initiative.

Program Evaluations

In FY 2001, the USDA Forest Service Civil Rights Staff conducted a Title VII (employment) and Title VI (program delivery) compliance review. The reviewers found that better coordination is required and that the agency needs to improve its interpretation of civil rights responsibilities. The USDA Forest Service provided a FY 2001 Information and Reporting Requirements report to USDA and the U.S. Department of Justice, indicating servicewide compliance reviews of federally assisted programs, and the resolution of program complaints that were accomplished.

Conclusions and Challenges/Milestones

Overall, the USDA Forest Service witnessed increased employee morale, decreased employee complaints, increased program complaints, increased organizational capacity to perform at a higher level, and fewer retention issues. A continuing effort through the CIP program strives to provide information within the agency to improve workplace performance.

Verification, Validation, and Limitation of Data Sources

Each field unit submits annual accomplishments for each program via an electronic form (FS 1800-16). The SCSEP report on a program year basis from July 1 to June 30 due to funding reasons, while the YCC reports according to the agency's fiscal year. All data is compiled at an intermediate level and at the national level, and the data is verified for consistency and accuracy at each level. Although there is always a chance of human error in entering the initial data, automated calculation of the electronic forms has eliminated the risk of calculation errors. There is no significant data limitation to report.

Management Initiative 3.2. All customers receive better service.

Annual Performance Goal 3.2.1. Provide better service for all agency customers.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Offer to all customers, contractors, suppliers, and vendors opportunity to conduct electronic financial transactions	Program Staff	Electronic payments by agency available	Electronic funds transfer primary method of payment	*	*
Establish internal enterprise teams to improve management efficiency of national forests in California	Program Staff	Evaluations of initial efforts completed	Corrective action taken based on evaluations	25 new teams	**
Offer toll-free telephone, World Wide Web, and automated applications to all permittees and applicants of most frequently requested special use permits	Program Staff	All but toll-free telephone access is available	One new Web-based application added	New Web applications added	One new Web-based application added as part of www.reserv eusa.com
Improve service to public land users by providing one-stop shopping for information, permits, and other frequently requested over-the-counter products and services at BLM*** and USDA Forest Service facilities	Program Staff	Service First plans completed on a statewide basis	Service First plans implement -ed on a local basis	All Service First locations adopt model for info delivery process	340 Service First projects implement- ed

continues on next page

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
# customer satisfaction surveys completed	Program Staff	5	3	4	4
# follow up analyses	Program Staff	24	0	4	4

*This measure was deleted since the goal was achieved.

** This measure was deleted as an indicator for this goal.

***Bureau of Land Management

Overview

The USDA Forest Service continues to expand the delivery of programs, products, and services to customers electronically. Some examples are as follows:

- **Electronic Solicitations.** Most regions have a procurement business presence on the Internet where potential bidders can learn about opportunities and download solicitations. These sites are linked through the main USDA Forest Service Web page (<http://www.fs.fed.us/business>). In addition, national procurements such as uniforms, radios, and fire-related solicitations are available.
- **Debt Collections.** As part of the Foundation Financial Information System (FFIS) initiative, the agency is implementing an electronic process to transfer uncollected debt to the Treasury Department for either collection or an electronic administrative offset.
- **National Recreation Reservation Service (NRRS).** The USDA Forest Service operates the NRRS, which enables the public to make campground reservations on lands administered by the USDA Forest Service and the U.S. Army Corps of Engineers. The Government, through a contract with Reserve America, sells reservations to the public via a call center, electronically through computers at field location sites, and through an interactive Internet Web site (<http://www.reserveusa.com>). Reservation fees and recreation use fees are collected from the public and deposited into a U.S. Treasury account. Recreation use fees are returned to the agency or concession managing the campground, and the contractor is paid from the reservation fee collected. This site also automated a permitting process in FY 2001.
- **Permitting Processes.** As part of the USDA Forest Service's strategy for implementing the Government Paperwork Elimination Act (GPEA), the agency inventoried all of its permitting processes. These include permitting for recreation and public gatherings; small business use; grazing, utility, and recreation companies; timber and mineral extraction; and gathering of firewood, Christmas trees, and other natural products. In FY 2001, the agency identified the need to consolidate several separate efforts aimed at Web-enabling these various permits into a single, integrated e-Government approach.
- **Service First.** The USDA Forest Service and Bureau of Land Management (BLM) have signed an agreement called Service First to share data and coordinate programs wherever possible. Service First is improving service for public land users by expanding one-stop shopping opportunities at facilities for both agencies. The goal of Service First is to enable

the public to conduct certain BLM or USDA Forest Service business at one agency office. The primary challenge is moving the Service First program from a local application (primarily in central Colorado and central Oregon) to a national strategy. To accelerate the successes of Service First, the agency proposes to implement two new shared locations annually through 2005.

- FIA. Data and reports for FIA are available to the public from Internet sites.
- Forest Planning Information. The agency is experimenting on the Chugach National Forest in Alaska with making draft forest planning information available to the public on the Internet.
- The agency's Public Face. The Office of Communication has embarked on a project to review and update the agency's "public face" with changes to Web page formats and reorganizations of materials available.

Many internal applications are delivered through the Web, specifically the USDA Forest Service Intranet. The Web is also increasingly becoming the primary means for providing system documentation, support, and training. Regulatory and policy information is obtained from USDA's Web site (<http://www.usda.gov/procurement>). The USDA Forest Service currently has nearly 400 automated forms posted on its Intranet site.

FY 2001 Performance

During FY 2001, the USDA Forest Service implemented 340 Service First projects, ranging in scope from program partnering in fire management, records management, and radio networks, to interagency colocation in a single office. Databases containing information about both partnering and colocation are available to the public on the agency Web site at <http://www.fs.fed.us/servicefirst>. At the San Juan Public Lands Center in Durango, CO, a prototype one-stop-shop location using the new e-Government information delivery process has been successfully implemented. The agency is targeting expansion of this information delivery model to other sites in FY 2002.

During 2001, the agency targeted completion of five surveys. Four of those five were completed, giving more information on customer satisfaction with the timber program, special forest products, drinking water supply, and forest research. The agency also conducted four followup analyses, which enable the USDA Forest Service to further refine its understanding of customer needs and viewpoints.

In 2002, the agency has targeted four surveys. Two of the surveys will evaluate customer satisfaction on a regional basis. They will be tied in with the Chief's review process. Region 3 and Region 8 have been selected for pilot testing the new survey approach. The other two surveys will be programmatic, covering conservation education and law enforcement.

Program Evaluations

No program reviews were conducted in FY 2001.

Conclusions and Challenges

The USDA Forest Service anticipates having many challenges in providing electronic access to all its customers. Costs are associated with adding additional methods of providing service, which means the agency provides resources for multiple ways of doing business. Significant impacts to budgets and resources abound in implementing GPEA and in transforming the agency into an e-Government organization. The agency will have the challenges of determining technical solutions for security and digital signatures and challenges with interagency standards and processes as it continues to work with its sister agencies as well as State and local governments. Certainly not the least of the challenges will be the culture change in the agency of those managing business processes that want face-to-face processes rather than electronic processes in doing business.

Many of the customer service initiatives the USDA Forest Service has already started have their impetus from the interagency collaboration. Much of the agency's work requires coordination and collaboration with other Federal agencies, State and local governments, and private citizens. A primary example of this type of interagency sharing is the agency's work with the BLM through Service First. Collaborative accomplishments include interconnecting the Intranets of both agencies, establishing a joint records management policy, and coordinating the development of lands information systems. The two agencies are also colocating selected field offices and sharing more and more natural resource information between them, especially in the Pacific Northwest and Rocky Mountain Regions. In addition, efforts are being made to interconnect the agencies' search engines.

The national forest recreation Web site <http://www.fs.fed.us/recreation>, managed by the USDA Forest Service, has been enhanced to provide additional tools to help visitors locate national forests and grasslands, find recreation activities, obtain maps, make reservations, and find other useful information. The National Recreation Reservation Service, at the Web site <http://reserveusa.com>, now provides wilderness permits and reservable campgrounds, day use areas, and cabins by map or by State. The information can be obtained online or at a toll-free number.

The USDA Forest Service now has a newly calculated, accurate, and reliable recreation use estimate on NFS lands. The [National Visitor Use Monitoring Project](#) enabled the USDA Forest Service to generate, for the first time, statistically valid information on the type, quantity, and location of recreational uses of national forests. Accurate recreation use information enables the agency to decide where to focus limited financial and human resources to meet visitors' demands and improve visitors' satisfaction while protecting the natural environment.

Management Initiative 3.4 – A sound financial system that supports resource decisions with timely, accurate information and financial expertise.

Annual Performance Goal 3.4.1. Develop a sound financial system supporting resource decisions.

<i>Performance Measures</i>	<i>Data Source</i>	<i>FY 1999 Actual</i>	<i>FY 2000 Actual</i>	<i>FY 2001 Target</i>	<i>FY 2001 Actual</i>
Real property inventory completed	Program Staff	Yes, partially	Yes, partially	Yes	Yes, partially
Timber sale accounting system implemented	Program Staff	No	No	No	N/A
Financial management reports developed	Program Staff	Prototype set; partially completed	Yes, partially completed	Completed agencywide	Yes, partially completed
Unqualified audit opinion	Program Staff	No	No	Yes	No
Audit items from the agreed Secretary's management report eliminated	Program Staff	Yes, partially	Yes, partially	N/A	Yes, partially completed
% delinquent debts referred to Treasury for offset and cross-servicing	Program Staff	N/A	N/A	*	N/A

* No specific target was established in the FY 2001/2002 Annual Performance Plan published in March 2001.

Overview

Agencywide progress in improving USDA Forest Service financial accountability and reporting was achieved during FY 2001. These improvements directly respond to expectations and recommendations of Congress, the GAO, and the OIG to provide relevant, accurate, and reliable accounting information. With such information available for decisionmaking, agency managers will be aided in providing effective public service for the American public through the wise management of lands and natural resources entrusted to their care.

FY 2001 Performance

The USDA Forest Service successfully completed its second full year operating the FFIS, a fully compliant U.S. Standard General Ledger (SGL) financial management system. Aggressive efforts in FY 2001 resulted in a great improvement in the daily operation of FFIS. Since March 2001, system availability has consistently met or exceeded agency expectations. This availability is directly improving financial accountability within the agency. Further system enhancements continue to be an agency priority.

The USDA Forest Service is cooperating with the USDA Office of the Chief Financial Officer and the OIG to improve the reliability of its real and personal property accounting. An agencywide strategy for valuing real property was instituted in FY 2001, with anticipated completion in FY 2002. This strategy, conducted in cooperation with the OIG and a private accounting firm, will enable the agency to firmly establish historical values for real property, positively contributing to an improved audit opinion on the agency's annual financial statements.

The agency postponed work toward the second target, implementation of a revised Automated Timber Sale Accounting (ATSA) system. Needed resources were assigned to higher priority projects. The USDA Forest Service will continue to defer this objective, moving the target for achieving ATSA implementation to FY 2002 or beyond.

Although the OIG issued a disclaimer of opinion for the USDA Forest Service on the FY 2001 annual financial statement audit, the USDA Forest Service Chief Financial Officer is focusing on having all proprietary accounts reconciled, ensuring that policies and procedures support accurate and timely recording of assets and liabilities in the accounting system. This will provide an auditable set of accounting records in FY 2002.

During FY 2001, the USDA Forest Service closed 6 audits that had been initiated by the GAO and 11 audits initiated by the USDA OIG. Several more audits are ongoing.

Although the USDA Forest Service is referring eligible delinquent debts to the Treasury Department, a reporting system that provides the necessary data to calculate the percentage of eligible debts referred does not currently exist. Existing reports, such as the Treasury Report on Receivables, will require formatting and content modifications to provide the required data.

Program Evaluations

The agency did not conduct formal program evaluations during FY 2001. Staff efforts focused on developing new financial performance measures that more accurately reflect the challenges and goals of the agency.

Conclusions and Challenges

The USDA Forest Service continued to make agencywide improvements in financial management during FY 2001. A team effort by personnel throughout the agency has directly contributed to achieving the goal of strengthening USDA Forest Service financial management to provide effective public service. Completion of the second full year of implementing FFIS has resulted in great strides in improving its reliability and availability. The challenge in FY 2002 will be to maintain a concerted effort to resolve remaining issues and continuously seek improvement, while still providing relevant and reliable financial information.

**Appendix D—Report of the USDA Forest Service
FY 2001 Program Details**

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Table 1. National Forest System lands administered by the USDA Forest Service as of September 30, 2001

State, Commonwealth, or Territory	National forests, purchase units, research areas, and other areas (acres)	National grasslands (acres)	Land utilization projects (acres)	Total Acres	National Wilderness Preservation System ^{1/} (acres)
Alabama	665,941		40	665,981	41,367
Alaska	21,987,024			21,987,024	5,753,336
Arizona	11,261,846			11,261,846	1,342,558
Arkansas	2,586,621			2,586,621	116,578
California	20,690,285	18,425		20,708,710	4,430,809
Colorado	13,845,888	635,541		14,481,429	3,165,950
Connecticut	24			24	0
Florida	1,152,872			1,152,872	74,495
Georgia	865,392			865,392	114,537
Hawaii	1			1	0
Idaho	20,415,333	47,750		20,463,083	3,961,608
Illinois	292,966			292,966	28,732
Indiana	198,716			198,716	12,945
Kansas	0	108,175		108,175	0
Kentucky	804,540			804,540	17,376
Louisiana	604,256			604,256	8,679
Maine	53,040			53,040	12,000
Michigan	2,863,951		2	2,863,953	91,891
Minnesota	2,838,580			2,838,580	809,772
Mississippi	1,169,219			1,169,219	6,046
Missouri	1,494,042			1,494,042	63,383
Montana	16,903,238			16,903,238	3,372,503
Nebraska	257,772	94,480		352,252	7,794
Nevada	5,835,100			5,835,100	787,085
New Hampshire	728,225			728,225	102,932
New Mexico	9,280,170	136,417	240	9,416,827	1,388,262
New York	16,175			16,175	0
North Carolina	1,247,323			1,247,323	102,634
North Dakota	743	1,105,234		1,105,977	0
Ohio	233,073			233,073	0
Oklahoma	351,324	46,286		397,610	14,543
Oregon	15,549,073	112,347	856	15,662,276	2,086,438
Pennsylvania	513,359			513,359	9,031
Puerto Rico	27,831			27,831	0
South Carolina	616,725			616,725	16,671
South Dakota	1,145,494	867,311		2,012,805	9,826
Tennessee	699,814			699,814	66,349
Texas	637,484	117,620		755,104	38,483
Utah	8,189,206			8,189,206	773,870
Vermont	385,820			385,820	59,421
Virgin Islands	147			147	0
Virginia	1,661,100			1,661,100	97,635
Washington	9,251,192		738	9,251,930	2,569,372
West Virginia	1,033,631			1,033,631	80,852
Wisconsin	1,523,256			1,523,256	42,294
Wyoming	8,688,467	549,099		9,237,566	3,111,232
Total	188,566,279	3,838,685	1,876	192,406,840	34,789,289

^{1/} Includes all changes to the Wilderness Preservation System through the 107th Congress. Amounts are included in total acres.

Table 2. Extramural research funded through USDA Forest Service Research appropriations—FY 1999–2001

Type of recipient	2001		2000		1999	
	<i>Dollars (thousands)</i>	<i>Number of grants</i>	<i>Dollars (thousands)</i>	<i>Number of grants</i>	<i>Dollars (thousands)</i>	<i>Number of grants</i>
Domestic grantees						
Universities and colleges:						
Land Grant research institutions	\$ 13,988	416	\$ 10,107	388	\$ 11,919	436
1890 Land Grant and predominantly Black institutions	291	7	453	11	294	4
Other non-Land Grant institutions	7,723	216	7,000	241	7,715	232
Subtotal, universities and colleges	\$ 22,002	639	\$ 17,560	640	\$ 19,928	672
Other domestic						
Profit organizations	\$ 249	7	\$ 88	4	\$ 33	5
Nonprofit institutions and organizations	1,123	51	1,734	52	1,087	46
Federal, State, and local governments	1,771	46	1,656	39	1,796	45
Private individuals	212	10	59	5	130	9
Small business innovation research	556	11	21	5	0	0
Industrial firms	0	0	32	2	17	1
Subtotal, other domestic	\$ 3,911	125	\$ 3,590	107	\$ 3,063	106
Total, domestic	\$ 25,913	764	\$ 21,150	747	\$ 22,991	778
Foreign grantees						
Universities and colleges	\$ 136	13	\$ 235	14	\$ 56	6
Profit & nonprofit institutions and organizations	110	10	212	12	72	13
Private individuals	85	7	67	8	64	10
Total, foreign grantees	\$ 331	30	\$ 514	34	\$ 192	29
Grand total	\$ 26,244	794	\$ 21,664	781	\$ 23,183	807

Table 3. Summary of forest stewardship plans and acres accomplished by State

State or Territory	2001		2000		Cumulative (1991-2001)	
	Plans	Acres	Plans	Acres	Plans ^{1/}	Acres
Alabama	369	65,278	254	45,569	3,003	667,226
Alaska	40	32,509	47	63,687	804	3,111,913
American Samoa	37	32	33	35	337	1,490
Arizona	10	1,137	19	2,124	204	248,389
Arkansas	152	26,950	132	23,412	2,190	377,252
California	95	25,341	2	23,060	556	306,491
Colorado	57	16,988	61	31,944	1,880	485,942
Connecticut	23	7,059	63	3,889	375	47,381
Delaware	57	2,777	27	1,203	607	38,421
Commonwealth, N. Marianas	5	14	0	0	5	14
Florida	125	28,180	78	15,276	1,322	458,151
Federated States of Micronesia	0	0	0	0	0	0
Georgia	249	53,709	80	15,660	2,821	826,571
Guam	3	332	30	509	214	1,801
Hawaii	33	7,186	23	5,448	91	17,897
Idaho	66	5,242	43	1,579	1,648	121,489
Illinois	2,983	93,532	1,470	46,572	14,152	478,020
Indiana	724	30,251	545	24,318	14,948	567,784
Iowa	369	18,331	441	25,283	7,951	285,342
Kansas	64	3,170	51	2,145	1,355	80,588
Kentucky	819	76,543	829	89,565	12,181	1,329,001
Louisiana	47	5,107	33	5,086	1,011	98,136
Maine	603	65,101	1,058	125,931	5,251	548,758
Maryland	598	20,535	385	23,964	4,957	256,960
Massachusetts	91	5,841	135	10,824	2,751	241,268
Michigan	202	29,439	205	21,287	3,416	461,080
Minnesota	680	75,418	728	85,456	10,483	1,037,766
Mississippi	70	14,026	27	6,555	863	189,344
Missouri	80	13,553	112	19,805	2,761	382,808
Montana	63	24,777	64	7,363	963	509,915
Nebraska	37	4,353	31	9,394	1,222	74,093
Nevada	19	3,626	15	437	209	86,739
New Hampshire	94	15,336	102	20,835	2,334	455,559
New Jersey	64	4,458	84	4,200	624	69,493
New Mexico	38	118,286	21	15,714	408	417,975
New York	668	80,198	833	83,875	15,111	1,400,547
North Carolina	489	49,157	350	43,093	2,438	351,250
North Dakota	152	5,053	80	4,495	1,580	77,832
Ohio	888	42,166	904	44,942	14,410	690,172
Oklahoma	71	12,798	96	13,749	981	241,727
Oregon	43	17,478	50	15,022	1,237	317,466
Palau	0	0	1	1	3	76
Pennsylvania	114	23,699	123	22,201	1,963	315,964
Puerto Rico	31	1,020	25	449	81	3,638
Rhode Island	18	889	12	970	327	14,601
South Carolina	238	63,717	224	54,107	2,770	735,219
South Dakota	7	797	17	1,195	988	40,434
Tennessee	197	35,888	198	27,870	2,097	366,372
Texas	292	43,394	295	57,342	2,621	610,898

Table 3. Summary of forest stewardship plans and acres accomplished by State

State or Territory	2001		2000		Cumulative (1991-2001)	
	Plans	Acres	Plans	Acres	Plans ^{1/}	Acres
U.S. Virgin Islands	7	543	12	426	31	1,149
Utah	7	30,331	4	2,750	101	230,804
Vermont	49	10,113	85	14,375	1,914	287,064
Virginia	348	56,559	424	59,010	5,923	908,125
Washington	250	20,037	229	18,821	3,524	262,773
West Virginia	239	37,628	280	43,572	3,540	543,280
Wisconsin	3,326	184,043	2,366	138,425	31,855	1,636,461
Wyoming	185	7,061	83	12,541	1,506	134,760
Total	16,585	1,616,986	13,919	1,437,360	198,898	23,451,669

^{1/} Landowner forest stewardship plans.

Table 4. Roads decommissioned, reconstructed, and constructed by the USDA Forest Service—FY 2001 ^{1/}

Region	Decommissioned (miles)	Reconstruction (miles)	Construction (miles)
Northern (R-1)	438.3	384.7	12.6
Rocky Mountain (R-2)	220.6	135.7	14.5
Southwestern (R-3)	348.0	46.3	3.0
Intermountain (R-4)	328.1	135.2	4.8
Pacific Southwest (R-5)	200.5	92.1	9.1
Pacific Northwest (R-6)	326.3	220.2	5.7
Southern (R-8)	138.0	109.1	12.7
Eastern (R-9)	164.1	129.9	5.7
Alaska (R-10)	0.0	68.7	1.1
Total	2,163.9	1,321.9	69.2

^{1/} Reconstruction and construction miles accomplished are from Capital Improvement and Maintenance Appropriation, Deferred Maintenance Funds, Purchaser Election inventory revisions, and new construction, and Non-USDA Forest Service Funds. Decommissioned miles are regardless of funding source.

Table 5. Reforestation needs as of October 1, 2001, by State, national forest, and site productivity class ^{1/}

State, Commonwealth, or Territory ^{2/}	Acres by site productivity class ^{3/}				Total acres
	0-49	50-84	85-119	120+	
National Forest					
Alabama					
NFs in Alabama (subtotal)	255	1,484	1,055	121	2,915
Alaska					
Chugach	0	2,680	0	0	2,680
Tongass	267	1,412	4,670	11,568	17,917
Subtotal	267	4,092	4,670	11,568	20,597
Arizona					
Apache-Sitgreaves	3,959	1,600	197	0	5,756
Coconino	3,771	3,076	0	0	6,847
Coronado	8	0	0	0	8
Kaibab	3,251	1,236	4	0	4,491
Prescott	89	84	0	0	173
Tonto	1,688	187	0	0	1,875
Subtotal	12,766	6,183	201	0	19,150
Arkansas					
Ouachita	180	6,338	9,023	1,152	16,693
Ozark-St. Francis	1,210	9,081	6	58	10,355
Subtotal	1,390	15,419	9,029	1,210	27,048
California					
Angeles	324	1,841	342	7	2,514
Cleveland	0	87	0	0	87
Eldorado	0	75	1,322	2,010	3,407
Inyo	930	289	0	0	1,219
Klamath	301	2,849	2,164	926	6,240
Lake Tahoe Basin M.U.	0	47	727	443	1,217
Lassen	37	4,490	1,442	1,010	6,979
Los Padres	0	0	15	0	15
Mendocino	77	1,008	446	416	1,947
Modoc	0	3,034	41,619	66	44,719
Plumas	2,314	315	5,660	1,591	9,880
Rogue River	0	84	0	0	84
San Bernardino	346	389	29	0	764
Sequoia	52	300	814	1,765	2,931
Shasta-Trinity	0	497	622	992	2,111
Sierra	34	545	1,403	2,291	4,273
Siskiyou	0	0	0	0	0
Six Rivers	0	3	1,154	637	1,794
Stanislaus	975	6,217	12,745	4,647	24,584
Tahoe	74	468	7,130	3,590	11,262
Toiyabe	23	25	0	0	48
Subtotal	5,487	22,563	77,634	20,391	126,075

Table 5. Reforestation needs as of October 1, 2001, by State, national forest, and site productivity class ^{1/}

State, Commonwealth, or Territory ^{2/}	Acres by site productivity class ^{3/}				Total acres
	0-49	50-84	85-119	120+	
National Forest					
Colorado					
Arapaho and Roosevelt	7,909	438	0	0	8,347
Grand Messa, Uncompahgre, and Gunnison	5,711	2,658	254	0	8,623
Manti-La Sal	0	0	0	0	0
Medicine Bow-Routt	2,991	1,850	319	0	5,160
Pike and San Isabel	1,292	304	0	0	1,596
Rio Grande	1,186	538	151	0	1,875
San Juan	2,481	2,184	393	0	5,058
White River	1,586	225	226	16	2,053
Subtotal	23,156	8,197	1,343	16	32,712
Florida					
NFs in Florida (subtotal)	459	3	151	434	1,047
Georgia					
Chattahoochee-Oconee (subtotal)	0	4	8,139	1,421	9,564
Idaho					
Boise	4,490	30,905	6,955	2,463	44,813
Caribou-Targhee	507	5,232	39	56	5,834
Clearwater	1,536	476	1,081	826	3,919
Idaho Panhandle	3,567	2,420	3,983	2,169	12,139
Kootenai	21	34	18	0	73
Nez Perce	566	555	2,570	627	4,318
Payette	517	645	2,739	41	3,942
Salmon-Challis	4,605	303	0	0	4,908
Sawtooth	414	252	63	0	729
Subtotal	16,223	40,822	17,448	6,182	80,675
Illinois					
Shawnee (subtotal)	0	0	0	0	0
Indiana					
Hoosier (subtotal)	0	1,033	158	110	1,301
Kentucky					
Daniel Boone (subtotal)	0	5	65,081	628	65,714
Louisiana					
Kisatchie (subtotal)	0	79	235	253	567
Maine					
White Mountain (subtotal)	126	110	68	24	328
Michigan					
Hiawatha	7,346	3,948	885	23	12,202
Huron-Manistee	7,463	4,494	403	0	12,360
Ottawa	1,451	13,842	4,399	209	19,901
Subtotal	16,260	22,284	5,687	232	44,463

Table 5. Reforestation needs as of October 1, 2001, by State, national forest, and site productivity class ^{1/}

State, Commonwealth, or Territory ^{2/}	Acres by site productivity class ^{3/}				Total acres
	0-49	50-84	85-119	120+	
National Forest					
Minnesota					
Chippewa	81	90	209	11	391
Superior	987	0	941	145	2,073
Subtotal	1,068	90	1,150	156	2,464
Mississippi					
NFs in Mississippi (subtotal)	72	411	904	421	1,808
Missouri					
Mark Twain (subtotal)	34	14,311	62	17	14,424
Montana					
Beaverhead-Deerlodge	882	292	51	0	1,225
Bitterroot	30,988	8,830	4,221	735	44,774
Custer	12,435	174	0	0	12,609
Flathead	476	585	1,422	0	2,483
Gallatin	275	467	0	0	742
Helena	2,296	339	57	0	2,692
Kootenai	2,747	3,480	4,293	729	11,249
Lewis and Clark	423	62	15	0	500
Lolo	5,788	2,167	1,390	231	9,576
Subtotal	56,310	16,396	11,449	1,695	85,850
Nebraska					
Nebraska (subtotal)	0	0	0	0	0
Nevada					
Humboldt-Toiyabe	0	30	0	0	30
Inyo	0	0	0	0	0
Lake Tahoe Basin M.U.	0	0	2	623	625
Subtotal	0	30	2	623	655
New Hampshire					
White Mountain (subtotal)	2,110	7,209	3,508	1,331	14,158
New Mexico					
Carson	1,231	804	30	0	2,065
Cibola	0	0	0	0	0
Gila	1,288	803	62	0	2,153
Lincoln	2,806	10,970	751	85	14,612
Santa Fe	22,715	5,138	20	0	27,873
Subtotal	28,040	17,715	863	85	46,703
New York					
Green Mountain (subtotal)	2	0	11	8	21
North Carolina					
NFs in North Carolina (subtotal)	449	1,743	0	172	2,364
Ohio					
Wayne (subtotal)	154	109	810	1,381	2,454

Table 5. Reforestation needs as of October 1, 2001, by State, national forest, and site productivity class ^{1/}

State, Commonwealth, or Territory ^{2/}	Acres by site productivity class ^{3/}				Total acres
	0-49	50-84	85-119	120+	
National Forest					
Oklahoma					
Ouachita (subtotal)	221	309	72	307	909
Oregon					
Deschutes	6,787	1,289	0	0	8,076
Fremont	2,294	1,223	10	0	3,527
Klamath	0	0	21	19	40
Malheur	1,409	2,389	0	0	3,798
Mt. Hood	155	2,490	256	113	3,014
Ochoco	710	2,461	70	0	3,241
Rogue River	0	926	672	0	1,598
Siskiyou	57	44	252	217	570
Siuslaw	0	0	0	122	122
Umatilla	959	4,984	2,809	164	8,916
Umpqua	68	93	350	95	606
Wallowa-Whitman	390	2,396	396	30	3,212
Willamette	48	345	524	3,117	4,034
Winema	88	1,006	1,276	0	2,370
Subtotal	12,965	19,646	6,636	3,877	43,124
Pennsylvania					
Allegheny (subtotal)	352	3,350	1,746	485	5,933
Puerto Rico					
Caribbean (subtotal)	0	0	41	118	159
South Carolina					
Francis Marion and Sumter (subtotal)	0	0	0	50	50
South Dakota					
Black Hills (subtotal)	28,310	5,616	0	22	33,948
Tennessee					
Cherokee (subtotal)	1	154	585	3,021	3,761
Texas					
NFs in Texas (subtotal)	0	1,527	5	15	1,547
Utah					
Ashley	7,980	0	0	0	7,980
Dixie	9,938	1,121	0	0	11,059
Fishlake	125	492	5	0	622
Manti-La Sal	149	2,182	19	0	2,350
Uinta	61	106	218	0	385
Wasatch-Cache	495	254	84	15	848
Subtotal	18,748	4,155	326	15	23,244
Vermont					
Green Mountain (subtotal)	11	1,098	346	107	1,562

Table 5. Reforestation needs as of October 1, 2001, by State, national forest, and site productivity class ^{1/}

State, Commonwealth, or Territory ^{2/}	Acres by site productivity class ^{3/}				Total acres
	National Forest	0-49	50-84	85-119	
Virginia					
George Washington and Jefferson (subtotal)	1,224	3,738	471	665	6,098
Washington					
Colville	916	756	519	144	2,335
Gifford Pinchot	0	93	292	159	544
Idaho Panhandle	314	4	315	53	686
Mt. Baker-Snoqualmie	0	163	170	147	480
Okanogan	3,745	48	995	0	4,788
Olympic	0	0	0	0	0
Umatilla	14	13	0	14	41
Wenatchee	25	4,492	202	10,008	14,727
Subtotal	5,014	5,569	2,493	10,525	23,601
West Virginia					
George Washington and Jefferson	142	85	10	149	386
Monongahela	79	435	473	404	1,391
Subtotal	221	520	483	553	1,777
Wisconsin					
Chequamegon-Nicolet	1,575	7,333	1,971	401	11,280
Subtotal	1,575	7,333	1,971	401	11,280
Wyoming					
Bighorn	1,498	83	0	0	1,581
Black Hills	11,618	7,531	38	0	19,187
Bridger-Teton	0	0	523	0	523
Caribou-Targhee	0	0	0	0	0
Medicine Bow-Routt	2,565	327	0	0	2,892
Shoshone	111	249	4	0	364
Wasatch-Cache	65	82	0	0	147
Subtotal	15,857	8,272	565	0	24,694
Total	249,127	241,579	225,398	68,640	784,744

^{1/} Data source is Reforestation & TSI Needs Report (2400-K) Table 1. This information is required by the National Forest Management Act of 1976, Sec. 4(d)1.

^{2/} Unlisted States had no reforestation needs as of October 1, 2001.

^{3/} Site productivity class refers to the amount of wood produced in cubic feet per acre per year in a natural unmanaged stand.

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Natural regeneration		Total		Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted	Seeded	With site preparation	Without site preparation								
(Acres)												
National Forest												
Alabama												
NFs in Alabama (subtotal)	1,473	0	0	644	2,117	0	1,054	0	0	0	0	1054
Alaska												
Chugach	0	0	0	0	0	0	0	0	0	0	0	0
Tongass	244	0	0	4,151	4,395	0	0	4,715	0	0	0	4,715
Subtotal	244	0	0	4,151	4,395	0	0	4,715	0	0	0	4,715
Arizona												
Apache-Sitgreaves	0	0	0	149	149	0	0	1,996	0	0	0	1,996
Coconino	0	0	0	114	114	0	0	0	0	0	0	0
Coronado					0							0
Kaibab	748	0	0	521	1,269	0	0	0	0	0	0	0
Prescott	0	0	0	0	0	0	0	0	0	0	0	0
Tonto	81	0	0	0	81	0	0	0	0	0	0	0
Subtotal	829	0	0	784	1,613	0	0	1,996	0	0	0	1,996
Arkansas												
Ouachita	157	0	6,010	0	6,167	0	4,947	1,239	0	0	0	6,186
Ozark-St. Francis	934	0	1,789	232	2,955	0	2,259	0	0	0	0	2,259
Subtotal	1,091	0	7,799	232	9,122	0	7,206	1,239	0	0	0	8,445

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Natural regeneration		Total		Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted	Seeded	With site preparation	Without site preparation								
(Acres)												
National Forest												
California												
Angeles	101	0	0	0	101	0	610	362	0	303	1,275	
Cleveland	0	0	0	0	0	0	0	0	0	0	0	
Eldorado	0	0	0	0	0	0	976	2,242	0	229	3,447	
Inyo	0	0	0	0	0	0	0	1,987	0	0	1,987	
Klamath	2,719	0	0	331	3,050	0	2,769	5,669	0	0	8,438	
Lake Tahoe Basin M.U.	0	0	0	0	0	0	0	0	0	0	0	
Lassen	2,724	0	0	0	2,724	0	312	5,045	0	225	5,582	
Los Padres	0	0	0	0	0	0	82	30	0	35	147	
Mendocino	0	0	0	0	0	0	1,789	532	1,144	0	3,465	
Modoc	0	0	0	0	0	0	110	169	0	0	279	
Plumas	10	0	0	10	20	0	0	4,889	0	0	4,889	
Rogue River	48	0	0	231	279	0	0	0	0	0	0	
San Bernardino	0	0	0	0	0	0	115	0	0	0	115	
Sequoia	0	0	0	0	0	0	4,273	2,087	0	0	6,360	
Shasta-Trinity	0	0	0	0	0	0	1,513	1,225	0	0	2,738	
Sierra	0	0	0	0	0	0	1,225	1,147	0	0	2,372	
Siskiyou	0	0	0	0	0	0	0	0	0	0	0	
Six Rivers	0	0	0	0	0	0	1,684	1,600	0	0	3,284	
Stanislaus	0	0	0	0	0	0	4,695	1,933	0	0	6,628	
Tahoe	3,500	0	0	145	3,645	0	4,153	6,282	0	72	10,507	
Toiyabe	0	0	0	0	0	0	0	0	0	0	0	
Subtotal	9,102	0	0	717	9,819	0	24,306	35,199	1,144	864	61,513	

Table 6. Reforestation and timber stand improvement acres certified as satisfactorily stocked, by State and national forest—FY 2001^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Seeded	Natural regeneration		Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted			With site preparation	Without site preparation							
(Acres)												
National Forest												
Colorado												
Arapaho and Roosevelt	0	0	0	277	277	277	0	0	0	0	0	137
Grand Mesa, Uncompangre, and Gunnison	0	0	434	104	538	538	0	0	0	0	0	0
Manti-La Sal	0	0	0	0	0	0	0	0	0	0	0	16
Medicine Bow-Routt	163	0	38	541	742	742	0	0	0	0	0	0
Pike and San Isabel	0	0	0	9	9	9	0	0	0	0	0	0
Rio Grande	0	0	0	1,783	1,783	1,783	0	0	0	0	0	0
San Juan	262	0	0	271	533	533	0	0	0	0	0	767
White River	117	0	26	130	273	273	0	0	0	0	0	0
Subtotal	542	0	498	3,115	4,155	4,155	0	0	0	0	0	920
Florida												
NFs in Florida (subtotal)	1,198	2,002	0	0	3,200	3,200	0	322	0	0	0	322
Georgia												
Chattahoochee-Oconee (subtotal)	740	0	0	84	824	824	0	0	0	0	0	857

Table 6. Reforestation and timber stand improvement acres certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Natural regeneration		Total		Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted	Seeded	With site preparation	Without site preparation								
(Acres)												
National Forest												
Idaho												
Boise	732	0	0	0	732	0	2,191	4,521	0	0	0	6,712
Caribou-Targhee	1,559	0	415	0	1,974	0	0	1,420	0	0	0	1,420
Cleanwater	2,008	0	0	7	2,015	0	40	36	0	578	0	654
Idaho Panhandle	5,899	0	87	496	6,482	0	1,207	5,869	72	2,809	0	9,957
Kootenai	0	0	0	0	0	0	0	36	0	106	0	142
Nez Perce	2,096	0	25	49	2,170	0	0	73	0	0	0	73
Payette	711	0	0	0	711	0	0	2,004	0	0	0	2,004
Salmon-Challis	90	0	0	0	90	0	15	747	0	0	0	762
Sawtooth	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	13,095	0	527	552	14,174	0	3,453	14,706	72	3,493	0	21,724
Illinois												
Shawnee (subtotal)	0	0	0	0	0	0	0	0	0	0	0	0
Indiana												
Hoosier (subtotal)	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky												
Daniel Boone (subtotal)	231	0	0	0	231	0	159	0	0	0	0	159
Louisiana												
Kisatchie (subtotal)	1,117	0	0	0	1,117	0	0	0	0	0	0	0
Maine												
White Mountain (subtotal)	0	0	0	0	0	0	0	0	0	0	0	0

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Seeded	Natural regeneration		Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted			With site preparation	Without site preparation							
(Acres)												
National Forest												
Michigan												
Hiawatha	1,055	554	1,668	2,096	5,373	0	775	69	0	117	961	
Huron-Manistee	677	17	1,295	737	2,726	0	125	37	0	0	162	
Ottawa	187	0	1,591	7,105	8,883	0	336	0	0	0	336	
Subtotal	1919	571	4,554	9,938	16,982	0	1,236	106	0	117	1,459	
Minnesota												
Chippewa	225	75	3,700	201	4,201	0	416	0	0	96	512	
Superior	1,917	223	445	4,008	6,593	0	2,475	0	0	65	2,540	
Subtotal	2,142	298	4,145	4,209	10,794	0	2,891	0	0	161	3,052	
Mississippi												
NFs in Mississippi (subtotal)	4,991	0	429	0	5,420	0	3,176	1,225	0	0	4,401	
Missouri												
Mark Twain (subtotal)	690	0	10,713	357	11,760	0	22	2,839	0	0	2,861	
Montana												
Beaverhead-Deerlodge	240	0	734	429	1,403	0	33	192	0	0	225	
Bitterroot	1,307	0	42	442	1,791	0	0	91	0	0	91	
Custer	518	0	327	155	1,000	0	0	378	0	0	378	
Flathead	1,417	0	195	873	2,485	0	0	1,859	0	149	2,008	
Gallatin	1,473	0	135	60	1,668	0	0	338	0	0	338	
Helena	183	0	976	31	1,190	0	0	60	0	0	60	
Kootenai	3,879	0	178	148	4,205	0	0	2,450	0	661	3,111	
Lewis and Clark	628	0	867	404	1,899	0	0	171	0	0	171	
Lolo	2,230	0	906	435	3,571	0	60	1,434	0	0	1,494	
Subtotal	11,875	0	4,360	2,977	19,212	0	93	6,973	0	810	7,876	

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Natural regeneration		Total		Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted	Seeded	With site preparation	Without site preparation								
(Acres)												
National Forest												
Nebraska												
Nebraska (subtotal)	0	0	0	0	0	0	0	0	0	0	0	0
Nevada												
Humboldt-Toiyabe	0	0	0	0	0	0	0	0	0	0	0	0
Inyo	0	0	0	0	0	0	0	0	0	0	0	0
Lake Tahoe Basin M.U.	0	0	0	0	0	0	0	0	0	0	0	0
Toiyabe	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire												
White Mountain (subtotal)	0	0	912	2,029	2,941	0	145	0	0	0	0	145
New Mexico												
Carson	199	0	0	3,000	3,199	0	66	158	0	0	0	224
Cibola	40	0	0	0	40	0	0	0	0	0	0	0
Gila	0	0	0	0	0	0	0	0	0	0	0	0
Lincoln	0	0	0	18	18	0	0	0	0	0	0	0
Santa Fe	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	239	0	0	3,018	3,257	0	66	158	0	0	0	224
New York												
Green Mountain (subtotal)	0	0	0	0	0	0	0	30	0	0	0	30
North Carolina												
NFs in North Carolina (subtotal)	463	0	474	0	937	0	2,716	230	180	0	0	3,126
Ohio												
Wayne (subtotal)	33	0	0	19	52	0	107	0	0	0	0	107

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement						Total
	Artificial regeneration		Natural regeneration		Seeded	Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning		
	Planted		With site preparation	Without site preparation									
(Acres)													
National Forest													
Oklahoma													
Ouachita (subtotal)	13	0	223	0	0	236	0	0	0	0	0	0	
Oregon													
Deschutes	4,872	0	118	2,483	0	7,473	0	0	0	0	0	0	
Fremont	1,019	0	0	782	0	1,801	0	2,438	0	0	0	2,438	
Klamath	0	0	0	0	0	0	0	38	0	0	0	38	
Malheur	6,581	0	0	339	0	6,920	0	0	5,877	0	178	6,055	
Mt. Hood	4,443	0	0	0	0	4,443	0	32	601	0	0	633	
Ochoco	1,117	0	0	0	0	1,117	0	642	0	0	0	642	
Rogue River	496	0	0	110	0	606	0	0	0	0	0	0	
Siskiyou	0	0	0	0	0	0	0	196	171	0	70	437	
Stuslaw	1,950	0	0	0	0	1,950	0	1,847	1,652	0	131	3,630	
Umatilla	2,411	0	20	3,002	0	5,433	0	0	5,763	0	0	5,763	
Umpqua	488	0	0	0	0	488	0	0	1,075	0	13	1,088	
Wallowa-Whitman	2,296	0	389	2,316	0	5,001	4	0	3,007	0	0	3,011	
Willamette	1,269	0	0	234	0	1,503	0	278	4,641	1,927	1,334	8,180	
Winema	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal	26,942	0	527	9,266	0	36,735	4	2,359	25,298	2,528	1,726	31,915	
Pennsylvania													
Allegheny (subtotal)	0	0	1,685	105	0	1,790	0	0	0	0	0	0	
Puerto Rico													
Caribbean (subtotal)	0	0	0	0	0	0	0	0	0	0	0	0	
South Carolina													
Francis Marion and Sumter (subtotal)	462	0	0	0	0	462	0	2,950	371	609	0	3,930	

Table 6. Reforestation and timber stand improvement acreages certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation					Timber Stand Improvement					Total	
	Artificial regeneration		Natural regeneration		Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning		
	Planted	Seeded	With site preparation	Without site preparation								
(Acres)												
National Forest												
South Dakota												
Black Hills (subtotal)	0	0	0	11,698	11,698	0	0	1,832	0	0	0	1,832
Tennessee												
Cherokee (subtotal)	412	0	486	0	898	0	3,748	0	0	0	0	3,748
Texas												
NFs in Texas (subtotal)	90	0	0	425	515	0	0	150	0	0	0	150
Utah												
Ashley	0	0	0	5,406	5,406	0	0	260	0	0	0	260
Dixie	57	0	0	0	57	0	1,502	300	0	0	0	1,802
Fishlake	32	0	0	0	32	0	0	0	0	0	0	0
Manti-La Sal	0	0	0	0	0	0	0	591	0	0	0	591
Ujinta	0	0	0	0	0	0	0	0	0	0	0	0
Wasatch-Cache	0	0	0	225	225	0	0	0	0	0	0	0
Subtotal	89	0	0	5,631	5,720	0	1,502	1,151	0	0	0	2,653
Vermont												
Green Mountain (subtotal)	0	0	114	18	132	0	3	0	0	0	0	3
Virginia												
George Washington and Jefferson (subtotal)	39	0	1,950	99	2,088	0	389	934	0	0	0	1,323
Washington												
Colville	838	0	0	315	1,153	0	0	1,050	0	0	0	1,050
Gifford Pinchot	347	0	0	17	364	0	11	1,195	0	167	0	1,373
Idaho Panhandle	187	0	0	0	187	0	20	0	0	0	0	20
Mt. Baker-Snoqualmie	215	0	0	0	215	0	0	0	0	0	0	0

Table 6. Reforestation and timber stand improvement acres certified as satisfactorily stocked, by State and national forest—FY 2001 ^{1/}

State or Territory ^{2/}	Reforestation						Timber Stand Improvement						Total
	Artificial regeneration		Seeded	Natural regeneration		Total	Cleaning	Release	Precommercial thinning	Fertilization	Pruning		
	Planted			With site preparation	Without site preparation								
(Acres)													
National Forest													
Washington (continued)													
Okanogan	2,319	0	0	1,716	4,035	0	0	1,419	0	129	1,548		
Olympic	0	0	0	0	0	0	0	2,724	0	0	2,724		
Umatilla	0	0	0	1,086	1,086	0	0	709	0	0	709		
Wenatchee	50	0	84	3,191	3,325	0	0	1,212	0	324	1,536		
Subtotal	3,956	0	84	6,325	10,365	0	31	8,309	0	620	8,960		
West Virginia													
George Washington and Jefferson	0	0	225	0	225	0	0	210	0	0	210		
Monongahela	0	0	581	24	605	0	1,068	0	0	0	1,068		
Subtotal	0	0	806	24	830	0	1,068	210	0	0	1,278		
Wisconsin													
Chequamegon-Nicolet (subtotal)	605	10	2,447	4,409	7,471	0	975	0	0	86	1,061		
Wyoming													
Bighorn	96	0	2	1,035	1,133	0	0	0	0	0	0		
Black Hills	0	0	0	1,538	1,538	0	0	0	0	0	0		
Bridger-Teton	33	0	11	0	44	0	0	0	0	0	0		
Medicine Bow-Routt	0	0	45	46	91	0	0	930	0	0	930		
Shoshone	75	0	0	115	190	0	0	0	0	0	0		
Caribou-Targhee	0	0	0	0	0	0	0	0	0	0	0		
Wasatch-Cache	0	0	0	0	0	0	0	0	0	0	0		
Subtotal	204	0	58	2,734	2,996	0	0	930	0	0	930		
Total	84,826	2,881	42,791	73,560	204,058	4	59,977	110,378	4,533	7,877	182,769		

^{1/} Data source is Reforestation & TSI Needs Report (2400-K) Table 1. This information is required by the National Forest Management Act of 1976, Sec. 4(d)(1).

^{2/} Unlisted States had no reforestation needs as of October 1, 2001.

Table 7. Certification of reforestation and timber stand improvement acreages by region—FY 2001 ^{1/}

Region	Reforestation						Timber Stand Improvement					
	Artificial regeneration		Natural regeneration		Total		Cleaning	Release	Precommercial thinning	Fertilization	Pruning	Total
	Planted	Seeded	With site preparation	Without site preparation								
	(Acres)						(Acres)					
Northern (R-1)	22,065	0	4,472	3,529	30,066	0	1,360	12,987	72	4,303	18,722	
Rocky Mountain (R-2)	713	0	545	17,547	18,805	0	0	3,666	0	0	3,666	
Southwestern (R-3)	1,068	0	0	3,802	4,870	0	66	2,154	0	0	2,220	
Intermountain (R-4)	3,214	0	426	5,631	9,271	0	3,708	9,859	0	0	13,567	
Pacific Southwest (R-5)	9,054	0	0	486	9,540	0	24,344	35,199	1,144	864	61,551	
Pacific Northwest (R-6)	30,759	0	611	15,822	47,192	4	2,332	33,607	2,528	2,346	40,817	
Southern (R-8)	12,320	2,002	11,586	1,484	27,392	0	21,720	5,216	789	0	27,725	
Eastern (R-9)	5,389	879	25,151	21,108	52,527	0	6,447	2,975	0	364	9,786	
Alaska (R-10)	244	0	0	4,151	4,395	0	0	4,715	0	0	4,715	
Total	84,826	2,881	42,791	73,560	204,058	4	59,977	110,378	4,533	7,877	182,769	

^{1/} Data source is Reforestation & TSI Needs Report (2400-K) Table 21. This information is required by the National Forest Management Act of 1976, Sec 4d(1).

Table 8. Timber stand improvement needs as of October 1, 2001, by State, national forest, cubic foot productivity class, and type of treatment ^{1/}

State, Commonwealth, or Territory ^{2/}	Cubic foot productivity classes ^{3/}					Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+						
National Forest										
Alabama										
NFs in Alabama (subtotal)	582	3,144	6	544	4,276	4,195	81	0	0	
Alaska										
Chugach	0	13	374	0	387	13	374	0	0	
Tongass	1,435	711	3,876	23,189	29,211	150	28,635	0	426	
Subtotal	1,435	724	4,250	23,189	29,598	163	29,009	0	426	
Arizona										
Apache-Sitgreaves	14,913	2,986	81	0	17,980	144	17,836	0	0	
Cocoino	15,337	1,907	0	0	17,244	1,624	15,620	0	0	
Coronado	6	64	0	0	70	0	70	0	0	
Kaibab	19,713	13,402	999	0	34,114	0	34,114	0	0	
Prescott	56	0	0	0	56	56	0	0	0	
Tonto	6,070	1,787	31	0	7,888	7,343	545	0	0	
Subtotal	56,095	20,146	1,111	0	77,352	9,167	68,185	0	0	
Arkansas										
Ouachita	27	4,541	3,577	539	8,684	5,018	3,666	0	0	
Ozark-St. Francis	59	6,302	73	151	6,585	1,894	4,691	0	0	
Subtotal	86	10,843	3,650	690	15,269	6,912	8,357	0	0	
California										
Angeles	871	2,159	740	0	3,770	1,696	1,095	0	979	
Cleveland	0	687	0	0	687	422	181	0	84	
Eldorado	0	24	2,287	8,728	11,039	8,506	2,533	0	0	
Humboldt-Toiyabe	682	1,213	30	90	2,015	0	2,015	0	0	
Inyo	0	846	0	0	846	19	827	0	0	
Klamath	718	16,875	17,138	11,441	46,172	14,819	31,344	0	9	
Lake Tahoe Basin M.U.	800	2,329	2,962	369	6,460	3,635	2,825	0	0	
Lassen	6,765	19,147	18,355	6,308	50,575	3,158	47,417	0	0	
Los Padres	0	209	30	0	239	143	71	0	25	
Mendocino	122	14,063	8,637	20,115	42,937	18,507	21,395	3,032	3	
Modoc	52	10,812	4,415	499	15,778	8,258	6,778	727	15	
Plumas	8	2,905	12,071	9,555	24,539	5,562	18,977	0	0	
Rogue River	0	130	0	0	130	130	0	0	0	
San Bernardino	246	2,526	92	66	2,930	1,195	1,700	0	35	
Sequoia	178	1,326	4,057	9,864	15,425	7,425	6,853	672	475	
Shasta-Trinity	373	13,740	16,121	15,171	45,405	11,240	33,045	0	1,120	
Sierra	279	2,661	9,600	16,927	29,487	14,338	14,690	0	459	
Siskiyou	0	0	1,534	0	1,534	680	655	199	0	
Six Rivers	0	144	4,779	9,528	14,451	8,640	5,811	0	0	
Stanislaus	37	2,697	19,894	5,668	28,296	15,119	13,177	0	0	
Tahoe	6,888	9,045	22,021	20,705	58,659	29,021	29,333	275	30	
Subtotal	18,019	103,558	144,763	135,034	401,374	152,513	240,722	4,905	3,234	

Table 8. Timber stand improvement needs as of October 1, 2001, by State, national forest, cubic foot productivity class, and type of treatment ^{1/}

State, Commonwealth, or Territory ^{2/}	Cubic foot productivity classes ^{3/}				Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+					
Colorado									
Arapaho and Roosevelt	5,233	162	0	0	5,395	912	4,483	0	0
Grand Mesa, Uncompahgre, Gunnison	3,388	344	0	0	3,732	589	3,143	0	0
Manti-La Sal	10	114	95	0	219	0	219	0	0
Medicine Bow-Routt	8,147	1,682	50	0	9,879	2,840	7,039	0	0
Pike and San Isabel	926	295	0	0	1,221	899	322	0	0
Rio Grande	379	208	0	0	587	413	174	0	0
San Juan	1,827	1,064	0	0	2,891	2,721	170	0	0
White River	334	2,062	708	0	3,104	2,950	154	0	0
Subtotal	20,244	5,931	853	0	27,028	11,324	15,704	0	0
Florida									
NFs in Florida (subtotal)	788	842	464	41	2,135	883	192	1,060	0
Georgia									
Chattahoochee and Oconee (subtotal)	0	322	4,423	2,581	7,326	2,032	4,194	1,100	0
Idaho									
Boise	1,926	7,180	6,110	1,143	16,359	1,671	14,688	0	0
Caribou-Targhee	3,525	5,547	47	0	9,119	0	9,119	0	0
Clearwater	1,995	518	1,477	3,076	7,066	556	4,720	0	1,790
Idaho Panhandle	44,522	11,771	56,749	50,583	163,625	7,266	114,578	2,136	39,645
Kootenai	36	6	17	35	94	0	94	0	0
Nez Perce	790	1,388	5,952	4,077	12,207	237	11,970	0	0
Payette	411	2,619	2,587	22	5,639	1,142	4,497	0	0
Salmon-Challis	12,117	986	0	0	13,103	9,475	3,628	0	0
Sawtooth	414	41	0	0	455	152	303	0	0
Subtotal	65,736	30,056	72,939	58,936	227,667	20,499	163,597	2,136	41,435
Illinois									
Shawnee (subtotal)	0	50	453	0	503	450	0	0	53
Indiana									
Hoosier (subtotal)	0	805	200	0	1,005	1,005	0	0	0
Kentucky									
Daniel Boone (subtotal)	24	110	2,735	364	3,233	381	2,820	0	32
Louisiana									
Kisatchie (subtotal)	0	1,471	4,083	4,325	9,879	4,657	5,222	0	0
Maine									
White Mountain (subtotal)	6	36	15	13	70	11	59	0	0
Michigan									
Hiawatha	162	4,566	3,204	0	7,932	2,471	575	0	4,886
Huron-Manistee	1,201	1,866	275	0	3,342	695	2,588	0	59
Ottawa	48	190	148	41	427	427	0	0	0
Subtotal	1,411	6,622	3,627	41	11,701	3,593	3,163	0	4,945

Table 8. Timber stand improvement needs as of October 1, 2001, by State, national forest, cubic foot productivity class, and type of treatment 1/

State, Commonwealth, or Territory 2/	Cubic foot productivity classes 3/					Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+						
National Forest										
Minnesota										
Chippewa	736	9,966	3,347	216	14,265	2,125	0	0	12,140	
Superior	2,178	0	0	0	2,178	2,178	0	0	0	
Subtotal	2,914	9,966	3,347	216	16,443	4,303	0	0	12,140	
Mississippi										
NFs in Mississippi (subtotal)	366	333	3,295	3,614	7,608	5,753	1,577	278	0	
Missouri										
Mark Twain (subtotal)	0	10,533	166	0	10,699	50	10,574	0	75	
Montana										
Beaverhead-Deerlodge	20,747	12,626	977	141	34,491	107	34,384	0	0	
Bitterroot	4,772	9,530	4,527	199	19,028	2,551	16,477	0	0	
Custer	2,187	158	85	46	2,476	110	2,366	0	0	
Flathead	13,767	11,627	40,135	7,479	73,008	686	70,873	0	1,449	
Gallatin	1,488	5,333	0	0	6,821	212	6,609	0	0	
Helena	1,080	777	615	70	2,542	36	2,496	10	0	
Idaho Panhandle	91	0	230	347	668	0	668	0	0	
Kootenai	10,071	53,644	60,785	1,387	125,887	78	123,666	0	2,143	
Lewis and Clark	4,750	1,674	798	6	7,228	52	7,176	0	0	
Lolo	9,666	18,165	10,741	2,445	41,017	629	40,381	0	7	
Subtotal	68,619	113,534	118,893	12,120	313,166	4,461	305,096	10	3,599	
Nebraska										
Nebraska (subtotal)	0	0	0	0	0	0	0	0	0	
Nevada										
Humboldt-Toiyabe	2	185	0	0	187	0	187	0	0	
Inyo	0	0	0	0	0	0	0	0	0	
Lake Tahoe Basin M.U.	0	0	0	195	195	0	195	0	0	
Subtotal	2	185	0	195	382	0	382	0	0	
New Hampshire										
White Mountain (subtotal)	229	376	86	9	700	444	256	0	0	
New Mexico										
Carson	4,364	1,896	141	0	6,401	496	5,905	0	0	
Cibola	743	0	0	0	743	0	743	0	0	
Gila	2,894	536	0	0	3,430	0	3,430	0	0	
Lincoln	1,993	3,437	259	68	5,757	1,081	4,676	0	0	
Santa Fe	8,847	891	0	0	9,738	489	9,249	0	0	
Subtotal	18,841	6,760	400	68	26,069	2,066	24,003	0	0	
New York										
Green Mountain (subtotal)	0	42	653	0	695	58	637	0	0	
North Carolina										
NFs in North Carolina (subtotal)	425	1,740	414	2,893	5,472	3,191	1,686	595	0	

Table 8. Timber stand improvement needs as of October 1, 2001, by State, national forest, cubic foot productivity class, and type of treatment ^{1/}

State, Commonwealth, or Territory ^{2/}	Cubic foot productivity classes ^{3/}					Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+						
National Forest										
Ohio										
Wayne (subtotal)	26	389	656	2,628	3,699	1,069	1,292	0	1,338	
Oklahoma										
Ouachita (subtotal)	0	35	227	782	1,044	877	167	0	0	
Oregon										
Deschutes	26,997	17,442	1,338	896	46,673	5,366	35,924	71	5,312	
Fremont	17,432	15,401	211	0	33,044	2,171	30,873	0	0	
Klamath	12	187	333	562	1,094	415	679	0	0	
Malheur	2,647	2,369	0	0	5,016	1,010	4,006	0	0	
Mt. Hood	0	15,385	9,699	1,145	26,229	0	15,422	8,935	1,872	
Ochoco	25,186	12,283	12	0	37,481	568	36,563	0	350	
Rogue River	0	3,385	21,899	1,066	26,350	4,254	16,893	222	4,981	
Siskiyou	68	629	16,207	2,991	19,895	3,083	4,076	6,127	6,609	
Suslaw	0	0	0	33,137	33,137	1,515	30,903	0	719	
Umatilla	3,878	10,832	3,188	1,470	19,368	662	18,647	0	59	
Umpqua	0	5,919	16,959	3,928	26,806	766	23,447	0	2,593	
Wallowa-Whitman	13,699	57,171	4,306	0	75,176	7,913	66,317	0	946	
Willamette	81	6,197	72,399	96,428	175,105	11,402	32,712	91,727	39,264	
Winema	2,027	11,269	3,550	0	16,846	890	15,686	0	270	
Subtotal	92,027	158,469	150,101	141,623	542,220	40,015	332,148	107,082	62,975	
Pennsylvania										
Allegheny (subtotal)	65	838	801	506	2,210	2,210	0	0	0	
Puerto Rico										
Caribbean (subtotal)	0	300	798	0	1,098	498	600	0	0	
South Carolina										
Francis Marion and Sumter (subtotal)	0	0	3,619	0	3,619	3,000	149	470	0	
South Dakota										
Black Hills (subtotal)	3,094	257	0	0	3,351	34	3,317	0	0	
Tennessee										
Cherokee (subtotal)	6	675	5	1,726	2,412	1,559	853	0	0	
Texas										
NFs in Texas (subtotal)	0	707	1,947	1,334	3,988	3,482	506	0	0	
Utah										
Ashley	10,035	0	0	0	10,035	0	10,035	0	0	
Dixie	4,550	1,206	0	0	5,756	1,155	4,601	0	0	
Fishlake	570	562	0	0	1,132	1,132	0	0	0	
Manti-La Sal	0	226	1,331	200	1,757	0	1,757	0	0	
Uinta	0	0	45	0	45	45	0	0	0	
Wasatch-Cache	171	526	0	0	697	146	551	0	0	
Subtotal	15,326	2,520	1,376	200	19,422	2,478	16,944	0	0	

Table 8. Timber stand improvement needs as of October 1, 2001, by State, national forest, cubic foot productivity class, and type of treatment ^{1/}

State, Commonwealth, or Territory ^{2/}	Cubic foot productivity classes ^{3/}					Total acres	Release subtotal	Thinning subtotal	Fertilization subtotal	Pruning subtotal
	0-49	50-84	85-119	120+						
National Forest										
Vermont										
Green Mountain (subtotal)	667	777	194	0	1,638	378	1,258	0	2	
Virginia										
George Washington and Jefferson (subtotal)	567	7,585	1,314	1,868	11,334	3,102	8,109	0	123	
Washington										
Colville	487	5,199	7,469	1,091	14,246	1,480	12,386	0	380	
Gifford Pinchot	0	21,125	22,692	9,399	53,216	67	44,985	6,275	1,889	
Idaho Panhandle	1,012	417	6,408	3,142	10,979	161	9,689	0	1,129	
Mt. Baker-Snoqualmie	0	18	1,077	1,654	2,749	19	948	1,488	294	
Okanogan	34,740	4,836	769	0	40,345	3,564	35,755	0	1,026	
Olympic	0	532	14,117	828	15,477	84	14,523	795	75	
Umatilla	159	5,063	0	24	5,246	100	4,792	0	354	
Wenatchee	1,136	62,210	12,791	14,957	91,094	3,340	59,448	7,612	20,694	
Subtotal	37,534	99,400	65,323	31,095	233,352	8,815	182,526	16,170	25,841	
West Virginia										
George Washington and Jefferson	202	677	0	344	1,223	1,040	183	0	0	
Monongahela	41	357	210	169	777	247	530	0	0	
Subtotal	243	1,034	210	513	2,000	1,287	713	0	0	
Wisconsin										
Chequamegon-Nicolet (subtotal)	124	280	268	53	725	249	223	0	253	
Wyoming										
Bighorn	9,241	362	0	0	9,603	2,683	6,920	0	0	
Black Hills	688	322	0	0	1,010	0	1,010	0	0	
Bridger-Teton	0	36	579	0	615	0	615	0	0	
Caribou-Targhee	43	98	0	0	141	0	141	0	0	
Medicine Bow-Routt	6,803	162	13	0	6,978	369	6,609	0	0	
Shoshone	3,212	384	0	0	3,596	153	3,443	0	0	
Wasatch-Cache	232	27	0	0	259	0	259	0	0	
Subtotal	20,219	1,391	592	0	22,202	3,205	18,997	0	0	
Total	425,720	602,786	598,257	427,201	2,053,964	310,369	1,453,318	133,806	156,471	

^{1/} Data source is Reforestation & TSI Needs Report (2400-K) Table 1. This information is required by the National Forest Management Act of 1976, Sec. 4d(1).

^{2/} Unlisted States had no TSI needs as of October 1, 2001.

^{3/} Cubic foot productivity class refers to the cubic feet of wood produced per acre per year in a natural unmanaged stand.

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated Units	Amount Measure
<i>Fungicides and Fumigants</i>			
Basamid	Nursery Disease Control	3.10 Acres	1386.00 Pounds
Benomyl	Nursery Disease Control	9.30 Acres	9.30 Pounds
Borax	Disease Control	11749.00 Acres	14905.50 Pounds
Borax	Fungus Control	10830.00 Acres	15361.00 Pounds
Borax	Housekeeping/Facilities Maint	40.00 Acres	15.00 Pounds
Borax	Recreation Improvement	58.00 Acres	27.00 Pounds
Carboxin-thiram	Nursery Disease Control	67.00 Lbs/Seed	6.70 Pounds
Chloropicrin	Nursery Disease Control	18.40 Acres	4234.00 Pounds
Chloropicrin	Soil Fumigation	0.00 Acres	817.00 Pounds
Chlorothalonil	Disease Control	47.00 Acres	42.28 Pounds
Chlorothalonil	Disease Control	1200.00 Trees	15.00 Pounds
Chlorothalonil	Nursery Disease Control	26.60 Acres	62.62 Pounds
Dazomet	Nursery Disease Control	39.40 Acres	14275.00 Pounds
DCNA	Nursery Disease Control	4.20 Acres	3.10 Pounds
Dicloran	Disease Control	11.60 Acres	30.00 Pounds
Dicloran	Nursery Disease Control	55000.00 Seedlings	0.09 Pounds
Dicloran	Nursery Disease Control	4576.00 Square Feet	1.98 Pounds
Dodine	Nursery Disease Control	5.00 Acres	6.50 Pounds
Iprodione	Disease Control	0.20 Acres	6.70 Pounds
Iprodione	Nursery Disease Control	12.20 Acres	6.10 Pounds
Mancozeb	Nursery Disease Control	14.70 Acres	17.60 Pounds
Metalaxyl	Nursery Disease Control	0.20 Acres	0.25 Pounds
Metalaxyl	Nursery Disease Control	16600.00 Square Feet	0.42 Pounds
Methyl bromide	Nursery Disease Control	32.50 Acres	6984.00 Pounds
Methyl bromide	Soil Fumigation	5.90 Acres	1083.00 Pounds
Pentachloronitrobenzene	Recreation Improvement	1.00 Acres	21.50 Pounds
Propiconazole	Disease Control	2.00 Acres	0.36 Pounds
Propiconazole	Nursery Disease Control	121.60 Acres	6.16 Pounds
Sodium hypochlorite	Fungus Control	14.40 Acre Feet	16.48 Gallons
Thiophanate-methyl	Disease Control	0.10 Acres	0.30 Pounds
Thiophanate-methyl	Nursery Disease Control	74.60 Acres	36.41 Pounds
Thiram	Nursery Disease Control	2.00 Acres	1.58 Pounds
Triadimefon	Nursery Disease Control	4.00 Acres	0.97 Pounds
Triadimefon	Recreation Improvement	2.00 Acres	6.50 Pounds
Vinclozolin	Nursery Disease Control	2880.00 Square Feet	0.75 Pounds
Total 2000 Fungicides and Fumigants		23,114 Acres 14 Acre Feet 67 Pounds of Seed 55,000 Seedling 24,056 Nursery Sq Feet 1,200 Trees	59,371 Pounds 17 Gallons

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated Units	Amount	Measure
<i>Herbicides, Algicides, and Plant Growth Regulators</i>				
2,4-D	Grassland Restoration	50.00 Acres	10.00	Pounds
2,4-D	Noxious Weed Control	18763.80 Acres	15487.77	Pounds
2,4-D	Nursery Weed Control	12.00 Acres	12.00	Pounds
Aphthona flava	Noxious Weed Control	46.00 Acres	173800.00	Insects
Aphthona lacertosa	Noxious Weed Control	185.00 Acres	142500.00	Insects
Bensulide	Recreation Improvement	1.00 Acres	12.50	Pounds
Bromacil	Housekeeping/Facilities Maint	2.00 Acres	0.45	Pounds
Bromacil	ROW Vegetation Mgmt	0.00 Acres	0.00	Pounds
Calophasia lunula	Noxious Weed Control	10.00 Acres	1513.00	Insects
Ceutorhynchus litura	Noxious Weed Control	95.00 Acres	640.00	Insects
Ceutorhynchus litura	Noxious Weed Control	42.00 Acres	2100.00	Insects
Chlorsulfuron	Noxious Weed Control	81.40 Acres	7.38	Pounds
Chlorsulfuron	Noxious Weed Control	30.60 Acres	1.45	Pounds
Clopyralid	Noxious Weed Control	2614.60 Acres	658.14	Pounds
Clopyralid	Site Preparation	23.50 Acres	8.82	Pounds
Dicamba	Noxious Weed Control	3207.80 Acres	2244.26	Pounds
Diglycolamine®	Noxious Weed Control	373.00 Acres	119.87	Pounds
Dimethylamine	Noxious Weed Control	103.00 Acres	4.26	Pounds
Diuron	Housekeeping/Facilities Maint	0.00 Acres	0.45	Pounds
Diuron	Noxious Weed Control	468.00 Acres	16.00	Pounds
Diuron	ROW Vegetation Mgmt	192.50 Acres	231.60	Pounds
Ferric sulfate	Recreation Improvement	0.10 Acres	1.40	Pounds
Fluazifop	Grassland Restoration	63.00 Acres	30.00	Pounds
Fluridone	Agricultural Weed Control	12.00 Acres	12.00	Pounds
Fosamine ammonium	Noxious Weed Control	12.00 Acres	49.69	Pounds
Fosamine ammonium	ROW Vegetation Mgmt	374.00 Acres	748.00	Pounds
Glyphosate	Agricultural Weed Control	165.60 Acres	579.36	Pounds
Glyphosate	Aquatic Weed Control	2.00 Acres	0.75	Pounds
Glyphosate	Conifer and Hardwood Release	1536.00 Acres	2724.00	Pounds
Glyphosate	Conifer Release	45.00 Acres	46.00	PIB*
Glyphosate	Conifer Release	6007.00 Acres	15448.51	Pounds
Glyphosate	Grassland Restoration	151.00 Acres	283.80	Pounds
Glyphosate	Hardwood Release	178.00 Acres	118.00	PIB*
Glyphosate	Housekeeping/Facilities Maint	68.10 Acres	55.75	Pounds
Glyphosate	Noxious Weed Control	40.00 Acres	0.50	Gallons
Glyphosate	Noxious Weed Control	1649.10 Acres	1905.73	Pounds
Glyphosate	Nursery Weed Control	167.60 Acres	461.82	Pounds
Glyphosate	Recreation Improvement	149.20 Acres	38.80	Pounds
Glyphosate	Research	112.50 Acres	74.00	Pounds
Glyphosate	ROW Vegetation Mgmt	389.30 Acres	388.50	Pounds
Glyphosate	Seed Orchard Protection	83.00 Acres	38.38	Pounds
Glyphosate	Site Preparation	6434.00 Acres	18406.50	Pounds

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated Units	Amount	Measure
<i>Herbicides, Algicides, and Plant Growth Regulators</i>				
Glyphosate	Wildlife Habitat Improvement	12.00 Acres	10.00	PIB*
Glyphosate	Wildlife Habitat Improvement	3851.90 Acres	341.40	Pounds
Halosulfuron-methyl	Nursery Weed Control	0.10 Acres	0.06	Pounds
Hexazinone	Agricultural Weed Control	0.20 Acres	2.76	Pounds
Hexazinone	Conifer Release	1302.00 Acres	662.30	Pounds
Hexazinone	Noxious Weed Control	1.50 Acres	0.07	Pounds
Hexazinone	ROW Vegetation Mgmt	16.00 Acres	13.60	Pounds
Hexazinone	Site Preparation	1729.00 Acres	5414.00	Pounds
Imazapyr	Conifer and Hardwood Release	2389.00 Acres	63.00	Pounds
Imazapyr	Conifer Release	1988.00 Acres	396.00	Pounds
Imazapyr	Noxious Weed Control	1355.70 Acres	332.18	Pounds
Imazapyr	Recreation Improvement	2.00 Acres	0.06	Pounds
Imazapyr	Research	30.00 Acres	2.25	Pounds
Imazapyr	ROW Vegetation Mgmt	271.20 Acres	10.50	Pounds
Imazapyr	Site Preparation	1588.00 Acres	594.50	Pounds
Imazapyr	Wildlife Habitat Improvement	110.00 Acres	10.00	Pounds
Metsulfuron-methyl	Noxious Weed Control	3339.80 Acres	610.66	Pounds
Metsulfuron-methyl	ROW Vegetation Mgmt	14.80 Acres	0.85	Pounds
MSMA	Agricultural Weed Control	1.00 Acres	1.00	Pounds
MSMA	Noxious Weed Control	15.00 Acres	0.12	Pounds
Oxyfluorfen	Housekeeping/Facilities Maint	2.00 Acres	2.20	Pounds
Oxyfluorfen	Noxious Weed Control	110.00 Acres	83.70	Pounds
Oxyfluorfen	Nursery Weed Control	227.90 Acres	212.85	Pounds
Oxyfluorfen	Research	55.00 Acres	56.00	Pounds
Pendimethalin	Recreation Improvement	15.00 Acres	21.50	Pounds
Picloram	Insect Suppression	184.00 Acres	6.00	Gallons
Picloram	Noxious Weed Control	160.00 Acres	7.50	Gallons
Picloram	Noxious Weed Control	37274.00 Acres	8418.43	Pounds
Picloram	ROW Vegetation Mgmt	17.10 Acres	0.10	Pounds
Sethoxydim	Nursery Weed Control	1.80 Acres	0.71	Pounds
Simazine	Nursery Weed Control	2.10 Acres	28.13	Pounds
Sulfometuron-methyl	Conifer Release	2007.00 Acres	113.30	Pounds
Sulfometuron-methyl	Noxious Weed Control	36.00 Acres	1.88	Pounds
Sulfometuron-methyl	ROW Vegetation Mgmt	54.00 Acres	8.60	Pounds
Sulfometuron-methyl	Site Preparation	513.00 Acres	47.00	Pounds
Tebuthiuron	Wildlife Habitat Improvement	200.00 Acres	0.50	Pounds
Triclopyr	Conifer and Hardwood Release	2956.00 Acres	2346.00	Pounds
Triclopyr	Conifer Release	3565.00 Acres	2953.00	Pounds
Triclopyr	Grassland Restoration	50.00 Acres	5.00	Pounds
Triclopyr	Hardwood Control	26.00 Acres	17.50	Gallons
Triclopyr	Hardwood Control	108.00 Acres	38.00	Pounds
Triclopyr	Hardwood Release	98.00 Acres	15.00	Pounds

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated Units	Amount Measure
<i>Herbicides, Algicides, and Plant Growth Regulators</i>			
Triclopyr	Housekeeping/Facilities Maint	43.00 Acres	9.00 Pounds
Triclopyr	Noxious Weed Control	200.00 Acres	5.00 Gallons
Triclopyr	Noxious Weed Control	381.60 Acres	622.09 Pounds
Triclopyr	Noxious Weed Control	3500.00 Tree Grps	25.00 Pounds
Triclopyr	Noxious Weed Control	400.00 Trees	3.00 Pounds
Triclopyr	Nursery Weed Control	0.00 Acres	0.03 Pounds
Triclopyr	Recreation Improvement	2.00 Acres	4.00 Pounds
Triclopyr	Research	6.00 Acres	5.00 Pounds
Triclopyr	ROW Vegetation Mgmt	495.10 Acres	945.60 Pounds
Triclopyr	Seed Orchard Protection	42.00 Acres	162.25 Pounds
Triclopyr	Site Preparation	7310.00 Acres	7233.00 Pounds
Triclopyr	Wildlife Habitat Improvement	500.00 Acres	562.60 Pounds
Triasulfuron	Noxious Weed Control	40.00 Acres	37.80 Pounds
Urophora species	Noxious Weed Control	45.00 Acres	630.00 Galls
Total 2000 Herbicides, Algicides, and Plant Growth Regulators		118,683 Acres 3,500 Tree Groups 400 Trees	92,478 Pounds 320,553 Insects 630 Galls 36 Gallons 174 PIB*

* Poly-Inclusion Bodies

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated	Units	Amount	Measure
<i>Insecticides, Acaricides, and Pheromones</i>					
Acephate	Insect Eradication	488.00	Square Feet	0.04	Pounds
Acephate	Nursery Insect Control	6.00	Acres	4.50	Pounds
Acephate	Nursery Insect Control	58530.00	Seedlings	0.18	Pounds
Avermectin	Insect Eradication	446.00	Square Feet	0.11	Pounds
Bacillus thuringiensis	Nursery Insect Control	0.60	Acres	5.75	BIU*
Carbaryl	Insect Suppression	10.00	Acres	15.00	Pounds
Carbaryl	Nursery Insect Control	8.50	Acres	10.40	Pounds
Carbaryl	Nursery Insect Control	50.00	Seedlings	0.02	Pounds
Carbaryl	Nursery Insect Control	1408.00	Square Feet	0.88	Pounds
Carbaryl	Research	2.00	Acres	20.00	Pounds
Carbaryl	Research	32.00	Trees	6.00	Pounds
Chlorpyrifos	Insect Eradication	6.00	Buildings	0.39	Pounds
Chlorpyrifos	Insect Suppression	10.00	Acres	10.00	Pounds
Chlorpyrifos	Nursery Insect Control	19.40	Acres	19.38	Pounds
Chlorpyrifos	Recreation Improvement	5.00	Acres	37.50	Pounds
Cyfluthrin	Insect Eradication	6.00	Buildings	0.06	Pounds
Cypermethrin	Insect Eradication	6.00	Buildings	0.43	Pounds
Diazinon	Nursery Insect Control	4.00	Acres	16.00	Pounds
Diazinon	Vector/Plague Suppression	193.00	Acres	35.95	Pounds
Dienochlor	Nursery Insect Control	778.00	Seedlings	0.08	Pounds
Dimethoate	Nursery Insect Control	18.00	Acres	9.00	Pounds
Disparlure	Insect Eradication	492.00	Acres	0.20	Pounds
Esfenvalerate	Insect Suppression	59.90	Acres	4.54	Pounds
Esfenvalerate	Nursery Insect Control	43.30	Acres	1.73	Pounds
Esfenvalerate	Seed Orchard Protection	30.00	Acres	6.27	Pounds
Fenbutatin-oxide	Insect Eradication	576.00	Square Feet	0.38	Pounds
Hercon luretapes	Insect Suppression	38.00	Acres	0.25	Pounds
Hexazinone	Insect Eradication	360.00	Square Feet	0.02	Pounds
Hydramethylnon	Insect Eradication	24.00	Acres	0.96	Pounds
Malathion	Insect Suppression	0.50	Acres	0.04	Pounds
Malathion	Nursery Insect Control	24344.00	Square Feet	8.70	Pounds
Permethrin	Insect Suppression	2.20	Acres	2.50	Pounds
Permethrin	Research	6.00	Acres	5.20	Pounds
Permethrin	Research	4994.00	Seedlings	0.06	Pounds
Pheromone	Insect Eradication	246.00	Acres	0.15	Pounds
Pheromone	Insect Suppression	8.00	Acres	1.40	Pounds
Potassium salts of fatty acids	Insect Eradication	15.00	Acres	128.00	Gallons
Potassium salts of fatty acids	Nursery Insect Control	6336.00	Square Feet	12.27	Pounds
Pyrethrin	Insect Eradication	2.00	Buildings	0.02	Pounds
TM-Biocontrol—DFTM	Insect Suppression	34392.00	Acres	2.407E15	PIB**

Table 9. Pesticide use report—FY 2000

Pesticide Common Name	Treatment Purpose	Treated Units	Amount	Measure
<i>Insecticides, Acaricides, and Pheromones</i>				
Total 2000 Insecticides, Acaricides, and Pheromones		35,633 Acres	231	Pounds
		20 Buildings	128	Gallons
		95 Pheromone Traps	6	BIU*
		64,352 Seedlings	2.407E15	PIB**
		33,958 Nursery Sq. Feet		
		32 Trees		

Pesticide Common Name	Treatment Purpose	Treated Units	Amount	Measure
<i>Predacides, Piscicides, and Repellents</i>				
Antimycin	Fish Eradication	18.00 Stream Miles	8.90	Pounds
Denatonium benzoate	Animal Damage Control	1436.00 Acres	11.40	Pounds
Putrescent egg solids	Animal Damage Control	9496.00 Acres	1207.40	Pounds
Putrescent egg solids	Conifer Release	1698.00 Acres	1604.00	Pounds
Rotenone	Fish Eradication	15.00 Acre Feet	0.50	Gallons
Rotenone	Fish Eradication	20.00 Acre Feet	2.00	Pounds
Rotenone	Fish Eradication	1.00 Acres	2.00	Gallons
Total 2000 Predacides, Piscicides, and Repellents		12,631 Acres	2,834	Pounds
		35 Acre Feet	3	Gallons
		18 Stream Miles		

Pesticide Common Name	Treatment Purpose	Treated Units	Amount	Measure
<i>Rodenticides</i>				
Bromadiolone	Housekeeping/Facilities Maint	23.00 Buildings	0.06	Pounds
Diphacinone	Seed Orchard Protection	1.00 Acres	0.00	Pounds
Strychnine	Animal Damage Control	30656.00 Acres	676.34	Pounds
Strychnine	Conifer Release	3013.00 Acres	5.73	Pounds
Strychnine	Seed Orchard Protection	126.00 Acres	0.34	Pounds
Total 2001 Rodenticides		33,796 Acres	683	Pounds
		23 Buildings		
Grand total 2000 pesticide use		223,858 Acres	155,596	Pounds
		58,014 Nursery Square Feet	320,553	Insects
		43 Buildings	630	Galls
		49 Acre Feet	184	Gallons
		3,500 Tree Groups	6	BIU*
		119,352 Seedlings	2.407E15	PIB**
		67 Pounds of Seed		
		18 Stream Miles		
		1,632 Trees		

* Billion International Units

** Poly-Inclusion Bodies

Table 10. Payment to States from national forest receipts—FY 1998-2001 ^{1/}

State, Commonwealth, or Territory	FY 2001	FY 2000	FY 1999	FY 1998
	Actual Dollars			
Alabama	2,032,381.86	617,397.86	627,141.11	1,132,837.61
Alaska	8,795,864.26	2,303,713.60	1,990,437.05	1,820,091.50
Arizona	7,002,294.71	1,781,330.09	1,744,657.63	2,112,822.86
Arkansas	6,409,693.90	6,706,795.00	8,139,548.73	6,583,562.29
California	61,908,621.54	26,418,432.59	28,607,060.72	30,533,384.80
Colorado	5,594,779.67	4,529,946.60	4,136,063.23	5,045,264.85
Florida	2,381,295.26	944,899.27	655,096.72	1,434,607.96
Georgia	1,221,004.87	52,789.87	284,914.07	328,311.76
Idaho	20,201,987.32	7,583,715.99	7,519,223.34	12,468,422.21
Illinois	285,058.20	167,477.56	214,271.62	394,100.70
Indiana	121,965.20	4,998.48	27,552.52	138,294.11
Kentucky	418,498.72	71,621.56	68,621.37	254,852.82
Louisiana	3,643,760.96	1,838,578.45	2,169,658.42	2,360,550.67
Maine	38,797.87	26,916.05	37,579.88	37,218.91
Michigan	3,035,938.64	3,856,191.57	3,115,660.35	2,995,680.41
Minnesota	3,908,437.92	4,072,016.11	4,122,815.01	3,412,495.17
Mississippi	7,619,052.68	6,504,457.90	8,191,796.44	5,399,465.46
Missouri	2,386,666.48	1,168,241.10	1,213,797.62	1,237,033.09
Montana	13,446,251.04	7,051,084.69	6,180,745.51	10,366,665.72
Nebraska	39,654.35	34,498.36	34,203.49	33,188.25
Nevada	422,434.92	295,414.67	290,104.41	329,556.48
New Hampshire	445,378.25	397,181.83	554,530.04	548,524.95
New Mexico	1,893,635.11	681,387.49	912,360.79	854,154.64
New York	7,675.72	8,478.33	5,116.94	2,215.54
North Carolina	956,170.69	455,485.20	782,161.27	594,302.06
North Dakota	101.18	71.98	144.91	57.33
Ohio	39,827.02	-3,116.76	22,984.30	2,241.43
Oklahoma	1,302,515.40	1,249,725.06	1,514,294.85	1,034,363.08
Oregon	141,075,407.15	76,322,960.34	80,791,483.46	85,505,449.53
Pennsylvania	4,830,500.70	2,981,650.71	2,769,989.07	5,800,446.38
Puerto Rico	21,405.93	20,919.28	14,439.55	24,408.87
South Carolina	3,079,722.56	576,821.66	1,664,342.08	557,227.68
South Dakota	3,669,187.27	3,070,194.20	3,318,229.60	3,663,436.84
Tennessee	524,734.00	373,512.99	536,567.09	326,855.64
Texas	4,446,516.84	665,807.17	2,304,128.26	5,620,631.20
Utah	1,864,827.94	1,900,307.57	1,437,451.69	1,511,626.92
Vermont	335,933.11	327,618.58	395,630.14	435,564.94
Virginia	789,666.80	486,902.27	652,651.00	767,354.09
Washington	41,228,762.75	24,658,286.13	25,728,245.67	27,073,257.08
West Virginia	1,861,226.98	1,284,519.47	1,823,553.49	1,944,308.51
Wisconsin	2,230,103.65	1,788,238.51	1,805,834.32	2,165,773.84
Wyoming	2,184,148.88	1,591,933.42	1,700,935.82	2,184,110.74
Total	363,701,888.30	194,869,402.80	208,106,023.58	229,034,718.92

^{1/} Data source: All Service Receipts - ASR-09-3.

Table 11. Summary of selected cooperative forest management and processing program activities—selected fiscal years, 1945–2001

Fiscal Year	Woodland owners assisted	Timber sale assistance-volume marked ^{1/}	Loggers and processors assisted
	(Number)	(MBF ^{1/})	(Number)
1945	8,093	411,330	0
1950	22,828	518,566	0
1955	34,828	549,373	8,182
1960	82,188	569,178	8,099
1965	99,074	716,950	9,248
1970	115,197	1,225,520	13,620
1971	127,828	860,950	14,627
1972	274,001	955,627	5,290
1973	106,422	1,578,664	4,855
1974	117,990	907,311	5,353
1975	140,940	677,532	5,405
1976	105,184	596,599	15,318
1976-77 (T.Q.) ^{2/}	25,253	220,649	5,849
1977	133,619	921,171	29,101
1978	165,329	1,120,743	12,749
1979	183,585	755,103	11,393
1980	176,385	870,964	11,582
1981	164,279	683,181	18,609
1982	141,472	841,475	15,470
1983	136,265	872,125	8,717
1984	151,539	1,033,440	10,082 ^{3/}
1985	134,338	913,411	- ^{4/}
1986	137,753	855,813	-
1987	158,353	1,225,896	-
1988	167,432	890,581	-
1989	153,855	1,242,564	-
1990	148,673	1,597,931	-
1991	153,090	1,697,861	-
1992	190,211	791,462	-
1993	190,256	950,178	-
1994	152,189	1,313,946	-
1995	192,618	1,274,902	-
1996	214,517	1,372,380	-
1997	186,824	1,864,805	-
1998	146,746	2,380,079	-
1999	234,907	4,206,261 ^{1/}	-
2000	189,040 ^{5/}	^{6/}	
2001	190,929		

^{1/} MBF = thousand board feet through 1998; in 1999 volume is reported in thousand cubic feet (MCF)

^{2/} Transition quarter.

^{3/} Not all States reported.

^{4/} - = inadequate data due to lack of State grants in wood utilization program.

^{5/} PMA fields 14039 and 14040.

^{6/} Data no longer collected.

Table 12. Summary of selected cooperative forestry management and processing activities by region—FY 2001 (NIPF 1/ lands)

Assistance activity	Unit of Measure	R-1 2/ Northern	R-2 Rocky Mountain	R-3 South- western	R-4 Inter- Mountain	R-5 Pacific Southwest	IF Puerto Rico	R-6 Pacific Northwest	R-8 Southern	R-10 Alaska	NA Northeastern Area	Total
Woodland owners assisted	Number 3/	2,865	3,464	393	824	2,404	665	4,506	86,489	46	89,273	190,929
Forest management plans prepared 5/	Plans 4/	483	378	67	5	272	349	626	31,778	0	6,407	40,365
	Acres 6/	119,650	122,449	43,112	120,046	45,495	2874	42,552	1,647,590	0	466,824	2,610,592
Reforestation												
Planting	Acres 7/	16,819	17,742	553	892	14,115	4	44,404	1,131,416	1901	114,523	1,342,369
Seeding	Acres 8/	20	47	0	0	3	187813	6968	1,139	0	4251	200,241
Timber stand improvement	Acres 9/	140,322	3,501	10,523	631	340	33	29,701	496,313	7	83,642	765,013
Urban forestry assistance activities	# Urban areas assisted 10/	403	710	237	126	680	103	267	1,631	13	4,640	8,810
Referrals to consulting foresters	Number 11/	200	318	45	14	481	24	699	9,560	6	13,628	24,975

1/ Nonindustrial private forest lands

2/ Entire State of Idaho shown in Region 1.

3/ PMAS fields 14039 + 14040

4/ PMAS field 14011

5/ Forest stewardship program plans and acres separately recorded in table 3.

6/ PMAS field 14010

7/ PMAS field 14071 minus 14072

8/ PMAS field 14072

9/ PMAS field 14073

10/ PMAS field 14131

11/ PMAS field 14040

Table 13. Summary of selected cooperative forest management and processing activities by State—FY 2001

State, Commonwealth, or Territory	Woodland owners assisted	Reforestation assistance	Timber stand improvement assistance	State nursery production
	Number ^{1/}	Acres ^{2/}	Acres ^{3/}	1,000 trees ^{4/}
Alabama	14,519	136,000	42,000	19,000
Alaska	46	1,901	7	0
American Samoa	335	12	0	0
Arizona	117	400	293	0
Arkansas	7,844	15,861	724	21,000
California	1,626	12,457	0	0
Colorado	1,277	2,759	2,200	2,623
Commonwealth, N. Marianas	105	14	0	13
Connecticut	305	43	2,716	656
Delaware	627	2,863	383	0
Florida	5,044	66,182	24,651	30,000
Federated States of Micronesia	8	18	0	0
Georgia	7,300	267,031	110,000	94,044
Guam	40	100	0	46
Hawaii	200	1,487	340	143
Idaho	1,981	1,763	140,142	551
Illinois	15,077	38,738	7,179	6,098
Indiana	4,520	8,881	8,328	5,800
Iowa	2,191	8,072	8,940	3,957
Kansas	570	1,716	212	125
Kentucky	1,741	3,812	0	10,500
Louisiana	3,361	105,431	6,461	42,493
Maine	13,806	279	4,170	0
Maryland	3,496	4,950	4,295	6,518
Massachusetts	2,167	39	2,971	0
Michigan	474	1,480	185	3,435
Minnesota	5,116	15,720	6,009	11,451
Mississippi	22,328	209,672	22,432	36,880
Missouri	3,534	12,954	2,019	6,700
Montana	576	563	180	1,101
Nebraska	793	4,083	169	0
Nevada	424	350	251	97
New Hampshire	1,994	215	4,523	0
New Jersey	1,180	75	0	315
New Mexico	276	153	10,230	154
New York	3,432	1,175	2,904	1,216
North Carolina	8,865	99,419	13,567	31,854
North Dakota	308	14,513	0	1,360
Ohio	4,196	2,807	901	4,368
Oklahoma	1,057	6,270	2,500	8,227
Oregon	2,358	24,592	15,141	13,534
Palau	90	30	0	25

Table 13. Summary of selected cooperative forest management and processing activities by State—FY 2001

State, Commonwealth, or Territory	Woodland owners assisted	Reforestation assistance	Timber stand improvement assistance	State nursery production
	Number ^{1/}	Acres ^{2/}	Acres ^{3/}	1,000 trees ^{4/}
Pennsylvania	1,894	643	595	4,368
Republic of the Marshall Islands		0	0	0
Puerto Rico	455	187,649	33	1,205
Rhode Island	127	0	0	0
South Carolina	3,760	79,835	144,600	21,609
South Dakota	484	8,479	146	0
Tennessee	1,734	8,063	292	25,000
Texas	1,656	55,320	54,000	16,362
Utah	400	542	380	862
Vermont	4,814	0	17,780	0
Virgin Islands	210	168	0	0
Virginia	7,280	79,659	75,086	40,000
Washington	2,148	26,780	14,560	9,994
West Virginia	2,603	1,407	1,554	1,928
Wisconsin	17,720	18,433	8,190	20,466
Wyoming	340	752	774	0
Total	190,929	1,542,610	765,013	506,078

^{1/} PMAS Fields 14039, 14040

^{2/} PMAS Field 14071, NIPF lands only

^{3/} PMAS Field 14073, NIPF lands only

^{4/} PMAS Field 14090

Table 14. Timber offered, sold, and harvested by region—FY 2000-2001

	2001						2000					
	Offered 1/		Sold 2/		Harvested 3/		Offered 1/		Sold 2/		Harvested 3/	
	MMBF	MMCF										
Northern (R-1)	211.9	43.4	177.3	37.6	190.2	39.8	189.7	38.2	189.0	37.8	257.6	51.5
Rocky Mountain (R-2)	134.3	27.3	61.6	12.4	140.5	28.9	59.2	12.5	99.6	19.9	134.1	26.8
Southwestern (R-3)	115.4	20.6	81.3	14.1	70.5	12.0	94.8	16.7	68.7	13.7	65.3	13.1
Intermountain (R-4)	91.7	16.9	101.4	18.7	87.5	16.1	55.5	10.5	59.1	11.8	123.9	24.8
Pacific Southwest (R-5)	333.2	69.4	228.0	35.6	344.2	57.5	270.7	56.6	214.5	42.9	389.0	77.8
Pacific Northwest (R-6)	197.3	39.1	268.8	53.8	307.0	61.2	255.4	49.5	242.3	48.5	409.2	81.8
Southern (R-8)	256.0	46.4	243.9	44.5	287.0	52.4	342.4	61.3	381.8	76.4	468.3	93.7
Eastern (R-9)	310.7	50.4	321.9	52.5	463.1	74.8	361.1	58.5	319.0	63.8	547.9	109.6
Alaska (R-10)	23.0	4.5	49.9	9.6	48.2	10.3	85.6	18.3	170.7	34.1	147.1	29.4
Total	1,673.6	318.0	1,534.1	278.8	1,938.2	353.0	1,714.4	322.1	1,744.5	348.9	2,542.4	508.5

MMBF = million board feet; MMCF = million cubic feet.

Sold and offered will not be equal since some sales were not sold (awarded) in the same fiscal year in which they were offered. Some sales did not receive any bids, or were withdrawn. Sold data comes from the cut and sold report. Conversion is 5 BF per CF for FY 2000 only.

1/ Sales offered for the fiscal year being displayed. Offer data comes from the Periodic Timber Sale Accomplishment Report.

FY 2001 offered volume does not include FY 2000 carryover of 341.5 MMBF and 67.9 MMCF per Congressional direction.

2/ Includes sales offered in prior fiscal years and sold in the fiscal year being displayed, and miscellaneous small sales that were previously offered and/or sold and were reoffered and sold in the fiscal year being displayed. Does not include the volume of long-term sales released for harvesting.

3/ Includes the volume harvested on long-term sales. Harvest data comes from the cut and sold report. Conversion is 5 BF per CF for FY 2000 only.

Table 15. Number of sales and timber volume sold and harvested by State—FY 2001 ^{1/}

State or Commonwealth ^{2/}	Sales	Timber sold			Timber harvested		
		Volume		Bid Value ^{3/}	Volume		Receipts ^{3/}
		MMBF	MMCF		MMBF	MMCF	
Alabama	242	12.1	2.2	\$873,443	20.3	3.7	\$1,679,475
Alaska	145	49.9	9.6	\$1,774,329	48.2	10.3	\$1,862,850
Arizona	8,937	42.7	7.3	\$1,043,190	41.0	7.1	\$2,236,017
Arkansas	1,476	131.6	23.9	\$14,474,352	110.0	20.0	\$15,909,282
California	32,548	230.0	36.0	\$12,507,971	346.1	57.8	\$19,353,560
Colorado	1,880	38.2	7.9	\$1,888,392	48.5	10.3	\$2,263,747
Florida	222	15.2	2.8	\$1,093,380	25.3	4.6	\$2,598,881
Georgia	353	0.4	0.1	\$3,635	1.0	0.2	\$32,676
Idaho	17,699	135.2	25.9	\$14,215,906	131.6	24.7	\$17,017,731
Illinois	43	0.0	0.0	\$430	0.0	0.0	\$430
Indiana	15	0.0	0.0	\$770	0	0.0	\$760
Kentucky	172	3.2	0.6	\$96,379	4.1	0.7	\$151,451
Louisiana	200	3.4	0.6	\$238,188	17.2	3.1	\$2,150,962
Maine	0	-	-	\$0	1.5	0.2	\$94,272
Michigan	2,014	88.7	14.4	\$9,400,775	157.1	25.3	\$11,362,094
Minnesota	140	77.7	12.6	\$3,665,209	110.6	17.8	\$5,071,172
Mississippi	130	29.5	5.4	\$5,376,486	40.5	7.4	\$7,331,253
Missouri	420	16.1	2.7	\$1,735,918	26.2	4.3	\$3,493,299
Montana	11,290	108.2	23.6	\$10,131,295	105.1	23.4	\$12,568,979
Nebraska	4	0.0	0.0	\$100	0.0	0.0	\$60
Nevada	1,411	1.9	0.3	\$30,201	1.9	0.3	\$29,289
New Hampshire	92	0.2	0.0	\$2,587	14.7	2.4	\$1,125,468
New Mexico	17,012	38.5	6.8	\$449,265	29.5	4.9	\$402,427
New York	9	0.0	0.0	\$180	0.1	0.0	\$9,312
North Carolina	595	5.5	1.0	\$289,770	10.2	1.9	\$768,921
North Dakota	14	0.0	0.0	\$150	0.0	0.0	\$125
Ohio	4	0.0	0.0	\$80	0.0	0.0	\$120
Oklahoma	96	3.4	0.6	\$312,771	4.1	0.7	\$531,426
Oregon	20,286	191.4	38.6	\$14,406,151	213.0	42.8	\$18,056,968
Pennsylvania	127	13.7	2.2	\$18,754,593	22.1	3.6	\$17,384,710
South Carolina	259	8.8	1.6	\$570,075	22.5	4.1	\$3,005,038
South Dakota	556	11.7	2.3	\$941,062	78.2	15.9	\$6,190,446
Tennessee	217	2.4	0.7	\$69,635	5.7	1.3	\$442,456
Texas	88	12.6	2.3	\$1,914,712	6.8	1.2	\$1,240,534
Utah	4,776	25.3	4.7	\$3,211,144	31.6	6.0	\$2,316,898
Vermont	73	0.1	0.0	\$1,540	3.5	0.6	\$566,480
Virginia	468	15.7	2.9	\$1,624,564	18.0	3.3	\$1,689,116
Washington	5,393	77.5	15.2	\$7,594,589	94.0	18.4	\$7,869,416
West Virginia	123	13.2	2.2	\$3,132,043	8.7	1.5	\$1,909,373
Wisconsin	1,236	112.1	18.4	\$7,934,430	119.9	19.4	\$7,977,910
Wyoming	3,154	17.8	3.6	\$1,053,951	19.4	3.7	\$938,459
Total	133,919	1,533.9	279.0	\$140,813,641	1,938.2	352.9	\$177,633,843

MMBF = million board feet. MMCF = million cubic feet.

^{1/} Data source is the cut and sold report. Excludes nonconvertible special forest products.

^{2/} Unlisted States had no timber sold or harvested in FY 2001.

^{3/} Includes reforestation, stand improvement, and timber salvage collections. Does not include brush disposal or value of roads.

Table 16. Uncut timber volume under contract by region (all products)—FY 1997–2001 ^{1/}

Region	2001		2000		1999		1998		1997	
	MMBF 2/	MMCF 3/	MMBF 2/	MMCF 3/						
Northern (R-1)	417	87	444	93	501	105	576	120	650	163
Rocky Mountain (R-2)	336	75	400	89	432	96	423	94	389	74
Southwestern (R-3)	81	16	79	16	79	16	96	19	88	18
Intermountain (R-4)	200	38	208	36	299	52	360	63	405	71
Pacific Southwest (R-5)	847	169	545	109	663	133	710	142	807	161
Pacific Northwest (R-6)	906	176	958	190	1,170	232	1,338	266	1,353	268
Southern (R-8)	554	101	610	111	727	132	928	169	907	165
Eastern (R-9)	736	119	877	142	1,095	177	1,244	202	1,363	220
Alaska (R-10) ^{4/}	337	72	336	72	234	50	230	57	264	66
Total	4,413	854	4,456	858	5,199	993	5,906	1,132	6,226	1,206

^{1/} Data source is the Automated Timber Sale Accounting (ATSA) System. Volume values have been rounded and may not sum to the actual total shown.

^{2/} Volume (million board feet) in local scale.

^{3/} Conversions from million board feet (MMBF) to million cubic feet (MMCF) based on actual regional conversion factors, which vary by region and fiscal year.

^{4/} Long-term sale not included.

Table 17. Forest land management funding—FY 1999–2001 ^{1/}

	2001 ^{2/}	2000	1999
		(1,000 dollars)	
Timber sales management	255,281	223,060	226,900
Forest land vegetation management ^{3/}	53,888	62,958	58,300
Road construction (timber-related)			
USDA Forest Service construction (PEPE)	633	1,946	2,448
Purchaser construction by the USDA Forest Service ^{4/}	-	5,945	6,610
Subtotal, Road construction	633	7,891	9,058
Total, appropriated accounts	309,802	293,909	294,258
Special accounts ^{2/}			
Timber salvage sales	119,636	99,284	142,977
K-V reforestation & timber stand improvement ^{5/}	83,183	97,962	109,364
Timber sale pipeline restoration fund (sale preparation)	0	4,620	4,500
Brush disposal	19,932	20,820	22,885
Reforestation trust fund	30,000	30,000	30,000
Total, special accounts	252,751	252,686	309,726
Total	562,553	546,595	603,984

^{1/} Data source is each fiscal year's final program budget advice or budget authority.

^{2/} Includes general administration (GA) expenses. Special accounts include GA expenses in all years; in FY 2001, GA expenses were included in all areas.

^{3/} In FY 2001 forest land vegetation (FV) management was combined with vegetation and watershed management. The FV amount is estimated.

^{4/} Due to the phase-out of purchaser credits, costs associated with road construction under the purchaser program are now part of the appraisal costs, and are no longer tracked as a separate item. Therefore, these costs are not available.

^{5/} Available from field request data.

Table 18. Sold value of special forest products—FY 2000-2001 ^{1/}

Product category	Sold value (in dollars)	
	FY 2001	FY 2000
Christmas trees	\$1,495,692	\$1,328,403
Special wood products	\$79	\$965
Transplants	\$156,432	\$185,084
Limbs and boughs	\$327,859	\$282,013
Foliage	\$73,963	\$49,918
Needles	\$20	\$0
Bark	\$2,020	\$2,320
Cones, green	\$44,003	\$3,560
Cones, dry	\$14,453	\$16,757
Seed	\$13,919	\$7,792
Nuts and seed	\$1,165	\$870
Fruits and berries	\$5,017	\$2,990
Tree sap	\$3,184	\$3,379
Roots	\$1,420	\$465
Mushrooms	\$369,778	\$225,150
Fungi	\$1,520	\$1,054
Mosses	\$10,483	\$11,775
Herbs	\$690	\$2,469
Wildflowers	\$7,529	\$11,528
Grass	\$201,388	\$161,332
Mistletoe	\$1,492	\$3,105
Cacti	\$499	\$50
Other plants	\$562	\$1,060
Miscellaneous	\$869,796	\$603,112
Total	\$3,602,962	\$2,905,151

^{1/} Data source is final fiscal year cut and sold report. Includes all products not convertible to board foot or cubic units. Product values have been rounded and may not sum to the actual total shown.

Table 19. Energy mineral workload and production—FY 1997–2001

Fiscal year	Acres under lease	Oil Production	Gas Production	Coal Production
	<i>(Millions)</i>	<i>(Barrels)</i>	<i>(1,000 cu.Ft.)</i>	<i>(Short tons)</i>
1997 ^{1/}	5.4	10,000,000	250,000,000	115,000,000
1998 ^{1/}	5.8	9,500,000	150,000,000	75,000,000
1999 ^{2/}	5.8	8,615,000	77,757,000	69,382,000
2000 ^{2/}	5.3	8,256,000	100,812,000	79,313,000
2001 ^{2/}	5.3	7,347,000	93,322,000	93,724,000

^{1/} Estimate for production.

^{2/} Minerals Management Service production data.

Table 20. Miles of boundary line located, by region—FY 2001 ^{1/}

Region	Total miles of boundary line	Miles marked 2001	Total miles marked thru 2000	Miles marked thru 2001	Miles maintained 2001
Northern (R-1)	27,725	195	10,074	10,269	110
Rocky Mountain (R-2)	44,086	331	7,024	7,355	38
Southwestern (R-3)	18,053	71	5,953	6,024	41
Intermountain (R-4)	20,960	120	5,276	5,396	41
Pacific Southwest (R-5)	26,700	67	12,826	12,893	123
Pacific Northwest (R-6)	25,627	86	16,679	16,765	114
Southern (R-8)	41,234	116	33,575	33,691	1,312
Eastern (R-9)	42,071	195	13,237	13,432	136
Alaska (R-10)	2,602	47	1,978	2,025	7
Total	249,058	1,228	106,622	107,850	1,922

^{1/} Totals include accomplishment from Landownership Management funding, all contributing benefiting functions, and cooperative and cost-sharing activities. Accomplishment does not include 36 miles of administrative boundary line for special management areas.

Table 21. Road maintenance accomplishments—FY 2001

Region	Cost ^{1/}	Miles fully maintained ^{2/}	Total miles ^{3/}
	(1,000 dollars)	(Miles)	(Miles)
Northern (R-1)	9,653	16,929	55,942
Rocky Mountain (R-2)	6,029	12,139	31,670
Southwestern (R-3)	8,801	17,402	53,328
Intermountain (R-4)	9,846	8,819	39,172
Pacific Southwest (R-5)	12,154	14,263	44,184
Pacific Northwest (R-6)	16,376	27,545	87,581
Southern (R-8)	10,945	13,100	36,983
Eastern (R-9)	5,312	20,166	29,931
Alaska (R-10)	8,897	1,988	3,603
Total^{1/}	88,013	132,351	382,394

^{1/} Does not include expenditures by the Washington Office, detached units, or research stations.

^{2/} Includes miles of road maintained at a level consistent with current use.

^{3/} Road mile changes include roads acquired through land and right-of-way purchases.

Table 22a. Road and bridge construction and reconstruction—FY 2001 from appropriated roads funds*

Region	Cost ^{1/} (1,000 dollars)	Construction		Reconstruction	
		Roads (Miles)	Bridges ^{2/} (No.)	Roads (Miles)	Bridges ^{2/} (No.)
Northern (R-1)	7,350	3.0	6	51.8	11
Rocky Mountain (R-2)	7,040	0.0	0	86.4	12
Southwestern (R-3)	6,388	2.4	1	39.9	0
Intermountain (R-4)	7,233	0.0	0	69.28	14
Pacific Southwest (R-5)	10,022	3.8	3	36.7	7
Pacific Northwest (R-6)	14,610	5.7	3	122.5	16
Southern (R-8)	8,228	0.0	1	49.5	26
Eastern (R-9)	6,614	1.0	0	94.1	15
Alaska (R-10)	5,147	0.7	4	68.2	0
Total^{1/}	72,632	16.6	18	618.38	101

Table 22b. Road and bridge construction and reconstruction—FY 2001 by timber purchasers

Region	Cost ^{3/} (1,000 dollars)	Construction	Reconstruction
		Roads (Miles)	Roads (Miles)
Northern (R-1)	-	9.5	231.9
Rocky Mountain (R-2)	-	5.3	74.8
Southwestern (R-3)	-	0.6	1.4
Intermountain (R-4)	-	4.0	28.4
Pacific Southwest (R-5)	-	5.1	24.6
Pacific Northwest (R-6)	-	0.0	34.8
Southern (R-8)	-	11.3	52.7
Eastern (R-9)	-	4.7	34.7
Alaska (R-10)	-	0.4	0.6
Total^{1/}	-	40.9	483.9

* Funds reported under this heading do not include PEPE or TRTR Funds.

^{1/} Includes field expenditures for engineering and program support for appropriated and timber purchaser roads. Does not include expenditures by the Washington Office, detached units, or research stations.

^{2/} Includes construction and reconstruction of bridges funded under all appropriations, PEPE, and by timber purchasers.

^{3/} Due to the phase-out of purchaser credits, costs associated with timber purchaser road construction are now part of the appraisal costs. This data is no longer available as a separate item.

Table 23. Purchaser election roads constructed by the USDA Forest Service—fiscal year 2001

Region	Cost ^{1/}	Construction Roads	Reconstruction Roads
	(1,000 dollars)	(Miles)	(Miles)
Northern (R-1)	2	0.1	39.2
Rocky Mountain (R-2)	0	0.0	0
Southwestern (R-3)	0	0.0	0
Intermountain (R-4)	0	0.0	0
Pacific Southwest (R-5)	5	0.0	0
Pacific Northwest (R-6)	325	1.1	7.7
Southern (R-8)	93	1.2	4.7
Eastern (R-9)	0	0.0	0
Alaska (R-10)	175	0.0	0
Total	600	2.4	51.6

^{1/} Funds reported include bridges built or reconstructed using PEPE funds.

Table 24. Summary of USDA Forest Service senior, youth, and volunteer programs—FY 2001/program year 2000

	Program funding (Million dollars)	Value of work accomplished (Million dollars)	Persons served (Number)	Women (Percent)	Minority (Percent)	Work accomplished (Person years)	Placement (Percent)	Return per dollar invested (Dollars)
Youth Conservation Corps 1/	Unfunded	2.6	891	42	21	132	NA	1.18
Job Corps 2/	114.6	18.3	9,528	23	48	3,879	91	NA
Senior Community Service Employment Program 2/	28.4	39.4	5,537	44	21	2,210	24	1.39
Volunteers in the national forests 3/	Unfunded	38.6	84,508	36	9	2,204	NA	NA
Hosted programs	Unfunded	16.3	8,333	23	29	715	NA	NA
Total	143.0	115.2	108,797	NA	NA	9,140	NA	NA

1/ Funds were not directly appropriated for Youth Conservation Corps (YCC); the Congress earmarked not less than \$2 million to be expended from funds available to the USDA Forest Service. The USDA Forest Service operated a \$2.2 million YCC program.

2/ Statistics for 2000 program year (July 1, 2000, through June 30, 2001).

3/ Statistics include Touch America Project (TAP) enrollees and 80 international volunteers.

Table 25. Number and percent of all permanent and excepted-conditional^{1/} employees as of September 22, 2001, by race/national origin and gender.

Race/National Origin	Women	Men	Total	Percent
American Indian/Alaskan Native	507	885	1,392	4.6%
Asian/Pacific Islander	232	248	480	1.6%
African American	689	605	1,294	4.3%
Hispanic	631	1,198	1,829	6.0%
Caucasian	9,635	15,602	25,237	83.5%
Total	11,694	18,538	30,232	
Targeted disabilities	—	—	355	1.2%
Percent by gender	38.7%	61.3%		

^{1/} Excepted-conditional includes cooperative education students and excepted appointments of people with disabilities.

Table 26. Workforce EEO ^{1/} profile by pay levels as of September 22, 2001 ^{2/}

GS Pay Level	Race/National Origin														Total	
	American Indian/ Alaska Native		Asian/Pacific Islander		African American		Hispanic		Caucasian		Women	Men				
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men						
GS-1	0	0	0	0	0	0	0	2	0	1	0	3	0			
GS-2	2	0	0	0	3	3	0	0	4	6	6	11	13			
GS-3	8	12	3	0	9	19	7	27	75	93	102	151				
GS-4	34	52	10	12	51	30	59	84	513	480	667	658				
GS-5	75	100	20	28	68	61	95	150	1,144	1,136	1,402	1,475				
GS-6	73	88	22	11	65	41	61	95	821	925	1,042	1,160				
GS-7	91	152	38	11	107	85	127	166	1,526	1,849	1,889	2,263				
GS-8	16	46	5	4	23	12	18	49	312	411	374	522				
GS-9	93	160	34	38	93	103	104	194	1,877	3,034	2,201	3,529				
GS-10	0	8	0	1	2	2	1	6	16	153	19	170				
GS-11	68	100	47	42	84	74	72	150	1,603	2,940	1,874	3,306				
GS-12	26	53	28	37	78	53	46	96	878	1,830	1,056	2,069				
GS-13	15	40	16	34	70	59	28	81	570	1,325	699	1,539				
GS-14	1	15	9	16	22	10	6	25	167	456	205	522				
GS-15	1	7	0	4	8	10	2	17	70	259	81	297				
GS-18 & SES	0	1	0	1	4	6	1	0	9	29	14	37				
WG, WL, & WS	4	51	0	9	2	37	2	54	47	670	55	821				
Other ^{3/}	0	0	0	0	0	0	0	0	0	6	0	6				
Total	507	885	232	248	689	605	631	1,198	9,635	15,602	11,694	18,538				

^{1/} Equal Employment Opportunity.^{2/} Grand total is 30,232 (includes permanent full-time and permanent part-time employees only, including WG, WL, WS).^{3/} Non-GS/GM/SES/WG/WL/WS as GS-16 equivalents.

Table 27. Number of paid employees by occupational category—FY 1995-2001 ^{1/}

Occupation	2001 ^{2/}	2000 ^{2/}	1999 ^{2/}	1998 ^{2/}	1997 ^{3/}	1996 ^{3/}	1995 ^{3/}
Professional	9,919	9,752	11,061	11,330	11,038	11,327	11,441
Administrative	5,022	4,741	4,708	4,610	4,512	4,519	4,627
Technical	21,929	19,997	19,051	19,145	19,134	20,172	21,970
Clerical	2,823	2,699	2,821	2,881	2,821	3,050	3,234
Other	701	410	332	515	195	312	353
Wage system	1,922	1,838	2,038	2,180	2,073	2,042	2,060
Total	42,316	39,437	40,011	40,661	39,773	41,422	43,685
Full-time equivalents (FTEs) ^{4/}	35,390	34,079	34,366	34,798	36,311	37,205	38,330

1/ Includes permanent, summer, seasonal, cooperative education students, stay-in-school, and many other types of employees.

These data do not include employees excluded from agency ceilings, such as volunteers (who are not paid salary), and Senior Community Service Employment Program enrollees (who are paid by the Department of Labor).

2/ Includes special employment categories.

3/ Does not include employees in special employment categories.

4/ One full-time equivalent (FTE) equals 2,080 paid hours of employment. Includes emergency FTEs.

Table 28. Number of paid employees by type of appointment—FY 1995-2001

Type of appointment	2001 ^{1/}	2000 ^{1/}	1999 ^{1/}	1998 ^{1/}	1997	1996	1995
Permanent ^{2/}	29,878	28,088	28,046	28,170	29,558	30,347	30,676
Nonpermanent ^{3/}	12,438	11,349	11,965	12,491	10,215	11,075	13,009
Total	42,316	39,437	40,011	40,661	39,773	41,422	43,685

1/ Includes special employment categories.

2/ Permanent are those employees who have career or career-conditional appointments.

3/ Nonpermanent employees who count in agency ceilings, such as summer, temporary, excepted, term, seasonal, and similar types of employees. These data do not include volunteers (who are not paid salary) and Senior Community Service Employment Program enrollees (who are paid by the Department of Labor). Employees in special employment categories are not included in FY 1995-1997.

Appendix E—Required Supplementary Stewardship Information

Required Supplementary Stewardship Information

The Federal Accounting Standards Advisory Board (FASAB), Statement of Recommended Accounting Standards (SRAS) No. 8 defines assets as follows:

- Property owned by the Federal Government.
- Stewardship Land
- Heritage Assets
- Expenses and investments incurred for education and training of the public that are intended to increase national economic productive capacity (investment in human capital), and research and development intended to produce future benefits.
- Information on the financial impact of continuing to provide current programs and services.

Stewardship Land

Overview

The USDA Forest Service serves as steward for more than 192 million acres of America's public land and the natural and cultural resources associated with those lands. These stewardship assets are valued for the following:

- Environmental resources;
- Recreational and scenic values;
- Cultural and paleontological resources;
- Vast open spaces; and
- Resource commodities and revenue they provide to the Federal Government, States, and counties.

<i>Description</i>	<i>FY 2000 Ending Balance (Acres)</i>	<i>FY 2001 Net Change (2) (Acres)</i>	<i>FY 2001 Ending Balance (Acres)</i>	<i>Condition (1)</i>
National Forests	187,827,050	-297	187,826,753	Varies
National forest purposes	144,524,161	-675,364	143,848,797	Varies
National forest wilderness areas	34,751,359	61,298	34,812,657	Varies
National forest primitive areas	173,762	0	173,762	Varies
National wild and scenic river areas	944,909	246	945,155	Varies
National recreation areas	2,636,394	273,970	2,910,364	Varies

<i>Description</i>	<i>FY 2000 Ending Balance (Acres)</i>	<i>FY 2001 Net Change (2) (Acres)</i>	<i>FY 2001 Ending Balance (Acres)</i>	<i>Condition (1)</i>
National scenic areas	129,178	0	129,178	Varies
National scenic– research areas	6,637	0	6,637	Varies
National game refuges and wildlife preserve areas	1,218,990	-52,616	1,166,374	Varies
National monument areas	3,267,693	392,169	3,659,862	Varies
National monument volcanic areas	167,427	0	167,427	Varies
National historic areas	6,540	0	6,540	Varies
National grasslands	3,838,124	561	3,838,685	Varies
Purchase units	357,527	-2,291	355,236	Varies
Land utilization projects	1,876	0	1,876	Varies
Research and experiment areas	64,871	860	65,731	Varies
Other areas	125,490	170,324	295,814	Varies
Total NFS Acreage	192,214,938	169,157	192,384,095	
Road Miles (3)	380,851	148	380,999	
Trail Miles (4)	133,087	0	133,087	

(1) Condition of NFS Land: The USDA Forest Service has completed many efforts leading to a comprehensive analysis of the condition of National Forest Service (NFS) lands. Fire risk analysis indicates that 73 million acres of the NFS is at moderate to high fire risk in areas of frequent fire regime. Analysis of risk of mortality due to insects and diseases indicates that 70 million acres are at risk of 25 percent or more tree mortality is expected over

the next 15 years. The National Aerial Survey completed in FY 2000 indicates 2.3 million acres of tree mortality and 7.9 million acres of defoliated forest lands due to insects and diseases. NFS lands are important areas for producing valuable benefits, including clean air, clean water, habitat for wildlife, and products for human use. In FY 2001, Congress appropriated \$1.1 billion to the USDA Forest Service to manage the impacts of wildfires on communities and the environment. The USDA Forest Service, with partners, developed a “10-Year Comprehensive Strategy” signed by the Secretaries of the Department of the Interior and Department of Agriculture. The goal of the plan is to implement many treatments that would reduce the threat of catastrophic wildfire, while simultaneously contributing to ecosystem health and sustainability. The USDA Forest Service has also developed a cohesive plan to prioritize and implement these treatments on 1.8 million acres annually in the future, starting in FY 2002. Concerns also exist about invasive species of insects, diseases, and plants that impact our native systems by causing mortality or displacing native vegetation. We have implemented an Early Detection and Delimitation System for non-native invasive forest insects and pathogens in cooperation with the Animal and Plant Health Inspection Service (APHIS), Research and Development, and State agencies. This system is designed to prevent new pest introductions to the Nation’s forests. A national strategy is based on regional approaches for suppression and prevention of insects and diseases and for restoration of degraded ecosystems due to these pests. In FY 2001, prevention and suppression projects were implemented on approximately 2 million acres of forest land.

(2) Net Change: Land that is needed to protect critical wildlife habitat, cultural and historic values, congressionally designated areas, and areas for recreation and conservation purposes is acquired through purchase or exchange.

(3) Road Miles: Net change to the total road miles occurs through new construction and correction of errors in the system’s inventory, including unclassified roads that previously had been excluded.

(4) Trail Miles: The number of miles reported continues to be based on a 1996 inventory. The number of trail miles has not been updated since. Reconstruction of existing trails has been the predominant activity during the previous 5 years.

Definitions

Land utilization projects—A unit reserved and dedicated by the Secretary of Agriculture for forest and range research and experimentation.

National forest—A unit formally established and permanently set aside and reserved for national forest purposes. The following categories of NFS lands have been set aside for specific purposes in designated areas:

- Game refuges and wildlife preserve areas. Areas designated by presidential proclamation or by Congress for the protection of wildlife.
- Monument areas. Areas including historic landmarks, historic and prehistoric structures, and other objects for historic or scientific interest, declared by presidential proclamation or by Congress.

- Primitive areas. Areas designated by the Chief of the USDA Forest Service as primitive areas. They are administered in the same manner as wilderness areas, pending studies to determine sustainability as a component of the National Wilderness Preservation System.
- Recreation areas. Areas established by Congress for the purpose of ensuring and implementing the protection and management of public outdoor recreation opportunities.
- Scenic-research areas. Areas established by Congress to provide use and enjoyment of certain ocean headlands and to ensure protection and encourage the study of the areas for research and scientific purposes.
- Wild and scenic river areas. Areas designated by Congress as part of the National Wild and Scenic River System.
- Wilderness areas. Areas designated by Congress as part of the National Wilderness Preservation System.

National grasslands—A unit designated by the Secretary of Agriculture and permanently held by the USDA under Title III of the Bankhead-Jones Farm Tenant Act.

Other areas—Areas administered by the USDA Forest Service that are not included in one of the above groups.

Purchase units—A unit of land designated by the Secretary of Agriculture or previously approved by the National Forest Reservation Commission for purposes of Weeks Law acquisition.

Research and experimental area—A unit reserved and dedicated by the Secretary of Agriculture for forest and range research experimentation.

Heritage Assets

Overview

The USDA Forest Service manages 155 national forests and 20 grasslands on more than 192 million acres of public land, which encompass a number of cultural and heritage assets. Some of these assets are listed on the Nation's Register of Historic Places and some have been designated as National Historic Landmarks. The USDA Forest Service cultural resource specialists and the 155 national forests maintain separate lists of heritage assets. Before FY 1999, no requirement existed for consolidating them at either the regional or national level. The USDA Forest Service estimates that about 277,000 heritage assets are on land that it manages. Most of these assets have no annual maintenance performed on them. A long-term methodology to better assess the extent and condition of these assets is being formulated. The figures in the table below are estimated values that have been reported since 1999. A module in the INFRA database is being developed for heritage assets. The module will be available for initial population in FY 2002 and the results of future inventories will provide a more current assessment of heritage resources.

<i>Category</i>	<i>1999 Estimated (Sites)</i>	<i>Condition</i>
Total Heritage Assets	277,000	Poor-Fair
Eligible for the National Register of Historic Places	109,000	Poor-Fair
Listed on the National Register of Historic Places	887	Fair
Sites listed with structures listed on the National Register of Historic Places	335	Poor-Fair
National Historic Landmarks	7	Fair
National Historic Areas	1	Fair
World Heritage Sites	0	N/A

Definitions

Historic structures—Constructed works consciously created to serve some human purpose. They include buildings, monuments, logging and mining camps, and ruins.

National Historic Landmarks—Includes sites, buildings, or structures that possess exceptional value in commemorating or illustrating the history of the United States, and exceptional value or quality in illustrating and interpreting the heritage of the United States. The Secretary of the Interior is the official designator of National Historic Landmarks.

National Register of Historic Places—Includes properties, buildings, and structures that are significant in U.S. history, architecture, and archaeology, and in the cultural foundation of the Nation.

World Heritage Site—An asset that meets specific criteria that constitutes outstanding global value. The preservation of a common world heritage is the object of the International Convention Concerning the Protection of the World’s Cultural and National Heritage.

Land purchases and exchanges may result in acquisition and withdrawal of heritage assets. The primary methods of additions to heritage resources are the result of survey, evaluation, and protection of heritage resources in coordination with other resource activities that could affect heritage resources.

**Human Capital—
Job Corps Civilian
Conservation Centers**

Net Cost of Operations:
\$101.0 million

In partnership with the U.S. Department of Labor (DOL), the USDA Forest Service operates 18 Job Corps Civilian Conservation Centers. [Job Corps](#) is the only Federal residential employment and education training program for economically challenged young people, ages 16 to 24. The purpose of the program is to provide young adults with the skills necessary to become employable, independent, and productive citizens. Job Corps is funded from DOL with the program year beginning on July 1, 2000, and ending on June 30, 2001. During FY 2001, there were 9,528 participants with 4,423 placements.

Established in 1964, Job Corps has trained and educated about 210,000 young people. The program is administered in a structured, coeducational, residential environment that provides education, vocation and life skills training, counseling, medical care, work experience, placement assistance, recreational opportunities, and biweekly monetary stipends. Job Corps students can choose from a wide variety of careers such as urban forestry, heavy equipment operation and maintenance, business clerical, carpentry, culinary arts, painting, cement and brick masonry, welding, auto mechanics, health services, building and apartment maintenance, warehousing, and plastering. All 18 centers have women students training in nontraditional vocations; in 2001 approximately 659 women were involved in forest fire suppression in 16 States.

**Research and
Development—**

Forest and Rangeland
Research FY 2001 Net
Cost of Operations:
\$299.6 million

[USDA Forest Service Research and Development](#) provides reliable science-based information that is incorporated into natural resource decisionmaking. This information sharing process is done by developing new technology, and then adapting and transferring the technology to USDA Forest Service entities and others for more effective resource management. The major research areas include the following:

- Vegetation management and protection;
- Wildlife, fish, watershed, and air;
- Resource valuation and use research; and
- Forest resources inventory and monitoring.

The USDA Forest Service Research and Development staff is involved broadly in supporting USDA Forest Service goals by providing more efficient and effective methods of accomplishing natural resource objectives, where applicable. A representative summary of FY 2001 accomplishments includes the following:

- 259 new interagency agreements and contracts;
- 127 ongoing interagency agreements and contracts;
- 1,205 articles published in journals;
- 1,454 articles published in all other publications or outlets;
- 6 patents granted; and
- 1 right to inventories established.

Deferred Maintenance

Overview

Deferred maintenance is maintenance that was not performed as scheduled, but delayed until a later period. Deferred maintenance represents a cost that the Government has elected not to fund and, therefore, the costs are not reflected in the financial statements. Maintenance is defined to include preventative maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable service and achieve its expected life. It excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to service needs different from, or significantly greater than, those originally intended. Deferred maintenance is reported for general PP&E, stewardship assets, and heritage assets. It is also reported separately for critical and noncritical amounts of maintenance needed to return each class of asset to its acceptable operating condition.

FY 2001 Deferred Maintenance Totals by Asset Class (\$ in thousands)

<i>Asset Class</i>	<i>Overall Condition (1)</i>	<i>Cost to Return to Acceptable Condition</i>	<i>Critical Maintenance (2)</i>	<i>Noncritical Maintenance (3)</i>
Buildings and admin. facilities	Varies	510,589	203,611	306,978
Dams	Varies	27,220	13,457	13,763
Heritage	Varies	37,718	11,208	26,509
Range improvements	Varies	547,695	523,357	24,338
Recreation facilities	Varies	298,292	105,737	192,555
Roads and bridges	Varies	5,314,372	1,574,732	3,739,640
Trails	Varies	117,870	42,327	75,542
Wildlife, fish, TES	Varies	5,038	3,277	1,762
Subtotal		6,858,794	2,477,706	4,381,087
Add 19% overhead *		1,303,171	470,764	832,407
Total		8,161,965	2,948,470	5,213,494

* Agency average as supplied by the CFO Budget Staff.

- (1) Overall Condition: Condition of major classes of property range from poor to good depending on location, age, and type of property. There is currently no comprehensive national assessment of property. The current deferred maintenance estimates were based on statistical and random sampling. The USDA Forest Service is working on a long-range plan to make condition assessments on all major classes of property.
- (2) Critical maintenance: A requirement that addresses a serious threat to public health or safety, a natural resource, or the ability to carry out the mission of the organization.

- (3) Noncritical Maintenance: A requirement that addresses potential risk to the public or employee safety or health (e.g., compliance with codes, standards, or regulations). Addresses potential adverse consequences to natural resources or mission accomplishment.

The USDA Forest Service uses condition surveys to estimate deferred maintenance on all major classes of PP&E. There is no deferred maintenance on equipment because the USDA Forest Service has its fleet vehicles and computers in a working capital fund. It maintains each fleet vehicle according to schedule and treats the remaining equipment as expensed. Therefore, there is no deferred maintenance on general equipment.

Condition of
Administrative Facilities

- 22 percent of buildings are obsolete, over 50 years old.
- 27 percent of buildings are in poor condition, needing major alterations and renovations.
- 24 percent of buildings are in fair condition, needing minor alterations and renovations.
- 27 percent of buildings are in good condition, needing routine maintenance and repairs.

Condition of Dams

The overall condition of dams is below acceptable. A dam's condition is acceptable when the dam meets current design standards and does not have any deficiencies that threaten the safety of the structure or public, or are needed to restore functional use, correct unsightly conditions, or prevent more costly repairs.

Condition of NFS Lands

The standards for acceptable operating condition for different classes of general PP&E are as follows:

- Buildings. Comply with the National Life Safety Code, the USDA Forest Service Health and Safety Handbook, and the Occupational Safety Health Administration as determined by condition surveys.
- Roads and bridges. Conditions of the National Forest Development Road System are measured by various standards that include applicable regulations for the Highway Safety Act developed by the National Highway Transportation Safety Administration, best management practices for road construction and maintenance developed by the Environmental Protection Agency to implement the Clean Water Act, and USDA Forest Service manuals and handbooks.
- Developed recreation sites. This wide category includes campgrounds, trailheads, trails, wastewater facilities, interpretive facilities, and visitor centers. All developed sites are managed in accordance with Federal laws and regulations (CFR 36). Detailed management guidelines are contained in the USDA Forest Service Manual (FSM) 2330 and regional and forest-level user guides. Standards of quality for developed recreation sites were developed under the meaningful measures system and established for the following categories: health and cleanliness, settings, safety and security, responsiveness, and the condition of the facility.
- Range structures. The condition assessment was based on (1) a determination by knowledgeable range specialists or other district personnel whether the improvement would perform the originally intended function, and (2) a determination through the use of a protocol system to assess conditions based on age. The USDA Forest Service uses a long-range methodology to gather this data.
- Watershed structures. Field hydrologists and USDA Forest Service personnel used their professional judgment to determine deferred maintenance. Deferred maintenance was considered as upkeep that had not occurred on a regular basis. The amount was considered critical if resource damage would likely occur if maintenance was deferred much longer.

- Dams. Managed according to FSM 7500, Water Storage and Transmission, and USDA Forest Service Handbook (FSH) 7509.11, Dams Management, as determined by condition surveys.
- Wildlife, fish, and threatened and endangered species structure. Field biologists at the forest used their professional judgment to determine deferred maintenance. Deferred maintenance was considered as upkeep that had not occurred on a regular basis. The amount was considered critical if resource damage or species endangerment would likely occur if maintenance was deferred much longer.
- Trails. Trails are managed according to Federal law and regulations (CFR 36). More specific direction is contained in FSM 2350 and the FSH 2309.18, Trails Management.
- Heritage Assets. These assets include archaeological sites that require determinations of National Register of Historic Places status, National Historic Landmarks, and significant historic properties. Some heritage assets may have historical significance, but their primary function within the agency is as visitation or recreation sites and, therefore, might not fall under the management responsibility of the heritage program.

Deferred Maintenance Success Story

Lowell Ranger Station. The Old Lowell Ranger Station on the Santa Catalina Ranger District of the Coronado National Forest was constructed by the Civilian Conservation Corps (CCC) between 1934 and 1937 and is listed on the National Register of Historic Places. The restoration cost was approximately \$95,000, including \$55,000 from Deferred Maintenance funds and a \$40,000 donation from the Friends of Sabino Canyon. These funds were used to complete roof, floor, interior, and exterior repairs that had been postponed for more than 20 years. In addition, a partnership with adobe experts from the National Park Service enabled the USDA Forest Service to complete much of the adobe and stucco work with original technologies. The Old Lowell Ranger Station has moved from being a dangerous eyesore to becoming coveted office space.



Appendix F—Glossary of Acronyms

Acronym	Full Name of Term
AAPC	Accounting and Auditing Policy Committee
AICPA	American Institute of Certified Public Accountants
AUM	Animal Unit Month
BAER	Burned Area Emergency Rehabilitation
BFES	Budget Formulation and Execution System
BLM	Bureau of Land Management
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CFO	Chief Financial Officer (Forest Service deputy area)
CIP	Continuous Improvement Process
CSRS	Civil Service Retirement System
CWA	Clean Water Act
DOI	United States Department of the Interior
DOL	Department of Labor
EAPs	Economic Action Programs
ESA	Endangered Species Act
FAM	Fire and Aviation Management
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting and Standards Board
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FFIS	Foundation Financial Information System
FFMIA	Federal Financial Managers Improvement Act
FHM	Forest Health Monitoring
FHP	Forest Health Protection
FIA	Forest Inventory and Analysis
FLP	Forest Legacy Program
FMFIA	Federal Managers Financial Integrity Act
FSH	Forest Service Handbook
FSM	Forest Service Manual
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	General Accounting Office
GPEA	Government Paperwork Elimination Act
GPRA	Government Performance and Results Act
INFRA	Infrastructure database
K-V	Knutson-Vandenburg (trust fund)
LEI	Law Enforcement and Investigations (staff)

Acronym	Full Name of Term
LRMP	Land and Resource Management Plan
LWCF	Land and Water Conservation Fund
MAR	Management Attainment Reporting (system)
MBF	Thousand Board Feet
MEL	Most Efficient Level (of firefighting capability)
MMBF	Million Board Feet
MMCF	Million Cubic Feet
NEPA	National Environmental Policy Act
NFP	National Fire Plan
NFS	National Forest System (Forest Service deputy area)
NIPF	Non-industrial Private Forest
OHV	Off-Highway Vehicle
OIG	Department of Agriculture Office of Inspector General
OMB	Office of Management and Budget
P&L	Programs and Legislation (Forest Service deputy area)
PAOT	Persons At One Time
PIT	Passport In Time (program)
PMAS	Performance Measurement Accountability System
PP&E	Property, Plant and Equipment
PRC	Purchaser Road Credit
R&D	Research & Development (Forest Service deputy area)
S&PF	State and Private Forestry (Forest Service deputy area)
SCSEP	Senior Community Service Employment Program
SIP	Stewardship Incentives Program
STARS	Sales Tracking and Reporting System
SUDS	Special Uses Data System
SYVP	Senior, Youth and Volunteer Program
TBD	To Be Determined
TES	Threatened and Endangered Species
TSI	Timber Stand Improvement
TSP	Thrift Savings Plan
TRACS	Timber Activity Control System
U&CF	Urban and Community Forestry (program)
U.S.C.	United States Code
USDA	United States Department of Agriculture
WCF	Working Capital Fund

